Teachers' Retirement Board

Board Meeting
100 North Park Avenue, Suite 110
Helena, Montana

AGENDA

February 10, 2025

OPEN MEETING

All Times Are Tentative

8:30 I. Call to Order

Action Items

A. Adopt Agenda
B. Approval of Minutes – December 6, 2024

8:35 II. Public Comment

8:40 III. BOI Annual Report

Discussion Items

A. BOI Annual Report – Dan Villa, Executive Director
B. Public Comment

9:00 IV. Administrative Business

Discussion Items

A. Investment Report – Dan Trost
B. FY 2024 Annual Comprehensive Financial Report – Nolan Brilz
C. FY 2025 YTD Financial Statements and Budget Reports – Nolan Brilz
D. Personnel Committee Report – Kari Elliott and Elliott Crump
E. Tentative 2025 Meeting Dates – May 9, Aug 1, Oct 3, Dec 5

Action Items

F. Out of State Travel
  - John Noble PRISM Annual Conference (April 2025)
  - Tammy Rau GFOA Conference (June 2025)
  - James Malizia NAPPA Legal Education Conference (June 2025)
  - Shawn Graham NCTR Director Meeting (June 2025)

G. Tuition Reimbursement Request

Discussion Item

H. Public Comment

Information Item

I. Next Meeting Date – May 9, 2025 – TRS Board Room

9:30 V. Executive Director's Report

Discussion Items

A. Executive Summary
  1. Staff Update

B. Legislative Update
C. Public Comment

9:45 VI. IT Manager's Report

Discussion Items

A. TRS IT Manager's Report – John Noble
B. Public Comment

10:00 BREAK

10:15 VII. Legal Counsel's Report

Information Item A. Summary of Legal Issues

10:20 VIII. Applications and Benefit Adjustments

Information Item A. Regular, Survivorship, Adjustment & Corrections

10:25 IX. Long Range Planning

Discussion Items
A. 2023-2025 Strategic Planning Commitment Worksheet – Updates
B. Public Comment

10:35 X. Board Training

Discussion Items
A. Privacy and Security of Personal Information
B. Public Comment

CLOSED MEETING

11:00 XI. Disability Applications

Discussion Item A. Executive Session to Discuss Disability Applications

OPEN MEETING

Action Item B. Applications for Disability Retirement Benefits

Discussion Item C. Public Comment

11:30 XII. Adjournment

NOTE:

- This will be an in-person board meeting with an option for virtual attendance. Limited seating is available in the board room. To join virtually, members of the public can request meeting login information by calling TRS at 406-444-0139 or by sending an email to: TrsOutreach@mt.gov.

- The Personnel Committee is scheduled to meet at 7:30 AM on February 10, 2025, for the purpose of conducting the Executive Director's annual performance appraisal.

The Teachers' Retirement Board is pleased to make reasonable accommodations for any known disability that may interfere with a person's ability to participate in public meetings. If you need an accommodation you must notify the Board (call 444-3134, e-mail Mary.Corder@mt.gov, or write to P.O. Box 200139, Helena, Montana 59620) no later than 5 working days prior to the meeting to advise of the nature of the accommodation you need.

OPEN MEETING

I. Call to Order

Action Items

A. Adopt Agenda - Upon recognition of a quorum, a motion must be made to adopt the agenda. If any Board member wishes to add new items or make any changes to the agenda, they must do so at this time.

B. Approval of Minutes - Attached are the minutes from the December 6, 2024 board meeting.

Montana Teachers' Retirement System Board Meeting
December 6, 2024

BOARD MEMBERS PRESENT

Kari Elliott, Chair
Daniel Chamberlin, Vice Chair
Daniel Trost, Member
Dee Brown, Member
Elliott Crump, Member
Brian Youngren, Member

STAFF PRESENT

Shawn Graham, Executive Director
Tammy Rau, Deputy Executive Director
Nolan Brilz, Accounting/Fiscal Manager
John Noble, Information Systems Manager
Darla Fitzpatrick, Communications Manager

OTHERS PRESENT

Brett Dahl, Montana Department of Administration
David Severson, Retired member *(virtual)*
Nate Weinstein, Member of public *(virtual)*
Kim Popham, Montana Federation of Public Employees

Call to Order

Chairperson Kari Elliott called the meeting to order at 8:31 a.m.

Adoption of the Agenda

Chairperson Elliott requested a motion to adopt the meeting agenda.

Motion/Vote: Member Daniel Trost moved to adopt the agenda, with Member Daniel Chamberlin seconding. The motion was approved by all members.

Approval of Minutes

Chairperson Elliott requested a motion to approve the minutes from the October 4, 2024 meeting.

Motion/Vote: Member Chamberlin moved to approve the October 4, 2024 minutes. Member Brian Youngren seconded the motion, which was approved by all members.

Public Comment on Board Related Items

This is an opportunity for members of the public to comment on any public matter not on the agenda and within the jurisdiction of the Board.

There was no public comment.

Cybersecurity Insurance

Brett Dahl, of the Department of Administration's Risk Management and Tort Defense Division, delivered a presentation titled "Cyber Insurance and Incident Response" on the cybersecurity insurance coverage provided to all State of Montana agencies and the University System.

Mr. Dahl shared the three main functions of his Division include self-insuring the state and university systems, investigating claims, and loss prevention. He also presented on what privacy and security breaches entail with the note laws differ by state and jurisdiction, Montana is fortunate to have strong laws in place. Information security trends and threats, specifically focusing on ransomware, were presented. This included risks, costs, and examples of breaches from other states as well as Montana-based events. He also discussed the state of the insurance market and what to do in the event of an incident.

Public Comment

There was no comment.

Administrative Business

Investment Report

Member Trost reported on recent activities of the Montana Board of Investments (BOI). He noted Director Graham gave a presentation on the annual actuarial valuation at the last BOI meeting. Also, interest and Short-Term Investment Pool (STIP) rates are trending down. Markets have been great. This is likely due to lowering interest rates and post-election optimism. Inversely there is uncertainty regarding possible tariffs and mass deportations which might be inflationary. BOI will need to see what unfolds. There has been a lot of optimism on AI and how it may push the Tech Sector and growth. Member Trost did note the BOI is very diversified in its investments and feels its sitting in a good spot.

Fiscal Year 2024 Financial Statements and Budget Reports

Nolan Brilz, TRS Accounting/Fiscal Manager, presented the TRS balance sheet as of October 31, 2024, as compared to one year prior. He reported that compared to last year's balance sheet the CAP is up $540 million. The year-to-date income is at $140 million with most is coming from investment revenue and appreciation of assets rather than selling.

A question was brought by Member Chamberlin regarding total expenses going up $5 million. Mr. Brilz noted that's due to benefit payments and their annual increase as well as an increase in withdrawals from the system this year compared to prior years. Administrative expenses are down and the biggest driver of that is amortization of the M-Trust project.

NCTR Annual Conference Report

Member Dee Brown provided a verbal report on the annual conference of the National Council on Teacher Retirement (NCTR), held in October in Atlanta, Georgia. Member Brown said the speakers were very good and her favorite part was the Teacher of the Year. She also attended a Zoom conference from NCTR on the shift in administration in DC. Most of the Chairs and Vice-Chairs have switched positions but no upheaval is anticipated.

Tentative 2025 Meeting Dates

Chairperson Elliott reviewed tentative meeting dates of February 21, May 9, August 1, October 3, and December 5, 2025. Executive Director Shawn Graham noted that TRS requests an actuarial audit every five years and that representatives from the Milliman and CavMac actuarial firms will attend the May 2025 meeting to discuss the results.

All members confirmed the May 9, 2025, meeting date. However, due to scheduling conflicts in February, it was agreed the meeting will be moved to February 10, 2025.

Public Comment

There was no comment.

Next Meeting Date

The next meeting of the TRS Board is scheduled for Monday, February 10, 2025.

Executive Director's Report

Staff/Operations Update

Director Graham reported that Chief Legal Counsel Denise Pizzini recently decided to retire, and her last day with TRS will be Friday, December 13, 2024. There have been no other staffing changes since the last meeting.

Every geographic area of the state is visited in the fall to give retirement prep presentations, known as 'Ready, Set, Retire!' however this year attendance at in person events was very low. For example, four individuals showed at the Great Falls event. At the annual MFPE conference, attendance was also low. This is a trend that's been happening since COVID. The online webinars are much better attended. Director Graham suggested sending a couple people to the annual conference and using online webinars instead of sending staff around the state. Discussion ensued around what schools were notified, how notification happened, and suggestions when to schedule.

2025 Legislation Update

Director Graham reported the two TRS bills are still in drafting which pertain to housekeeping and the MUS-RP supplemental contribution. The Governor's proposed budget included a placeholder for potential TRS funds based on rates of return. Member Crump shared more input on some proposed bills and their intentions. The Director explained the TRS process on pending legislation.

SAVA / SJ 4 Update

Director Graham attended the October 24, 2024, meeting of the State Administration and Veterans' Affairs (SAVA) interim committee, which served as the final meeting of the SJ 4 pension study group. The committee was favorable with their findings but made two recommendations. First, to implement a yearly survey of active members and add a question about the retirement system to public employee exit interviews. TRS did share survey results with the committee, however the Public Employee Retirement System did not have survey results to share. Second, adding a requirement to do regular stress testing to policies or statutes. Director Graham felt this was done several years ago through ASOP51 and nothing was done with that data, even though it was an expensive assessment. He's not sure the value is worth the cost to the system.

BOI Update

On November 20, 2024, Director Graham presented results of the July 1, 2024 actuarial valuation to the Montana Board of Investments (BOI). He answered their thoughtful questions about TRS and thanked them for the diligence shown by their Board and staff in managing TRS investments for long-term growth.

LFC Update

Director Graham is scheduled to present the July 1, 2024 actuarial valuation to the Legislative Finance Committee on December 17, 2024.

Public Comment

During the discussion about low attendance at Fall 2024 member education events, Kim Popham of described MFPE's efforts to notify members and administrators about those presentations. She also confirmed that the 2025 annual educators' conference will be held in Missoula.

Strategic Planning

Director Graham provided a brief status report on items within the Strategic Planning and Commitment Worksheet. The SJ4 study completed October 24, 2024, he participated in all of the meetings of that committee. The responsive web design is underway, and it is currently being reviewed. It will likely roll out in May, after legislative session.

Public Comment

There was no comment.

Board Training

Ethics/Conflict of Interest

Director Graham explained that Chief Legal Counsel Denise Pizzini typically conducts training for TRS Board members and staff in December each year on ethical conduct and avoiding conflicts of interest. She was unable to attend the meeting and Director Graham reviewed the policy in her absence. He then described the purpose of the Ethical Conduct/Conflict of Interest Annual Disclosure Statement and asked members of the Board to complete and sign the copies provided to them.

Per Diem Election Form

Director Graham explained the purpose of the Board Member Per Diem Election Form and collected a signed copy from each member of the Board.

Applications and Benefit Adjustments

Deputy Executive Director Tammy Rau reported that TRS staff processed 38 applications for retirement benefits between September 1 and October 31, 2024. Many of these applications were from vested members who had previously terminated all TRS-reportable employment but left contributions on account with TRS until they reached retirement age.

Public Comment

There was no comment.

Legal Counsel's Report

Director Graham read a message from Ms. Pizzini thanking the Board for their service to TRS. He had spoken with her prior to the meeting and confirmed there were no ongoing legal matters or pending issues on which to report. Members of the Board expressed appreciation for Ms. Pizzini's knowledge and effective guidance on legal matters over the years and they wished her well.

Public Comment

There was no comment.

Disability Applications

Chairperson Elliott confirmed with Deputy Director Rau that there were no applications for disability retirement to be discussed at this meeting.

Adjournment

With no other business before the Board, Chairperson Elliott requested a motion to adjourn.

Motion/Vote: Member Brown moved to adjourn. Member Trost seconded the motion and the meeting was adjourned at 11:38 a.m.

Chairperson _____

Executive Director _____

II. Public Comment

Information Item

A. Public comment on Board Related Items. This is an opportunity for the public to comment on any public matter that is not on the agenda of the meeting and is within the jurisdiction of the Teachers' Retirement Board. However, the Board may not take action on any issues raised unless it is included on the agenda and public comment has been allowed. If issues are raised that would require Board action, the issue would need to be included on the agenda for a future meeting. "Public Matter" does not include disability applications, or contested cases and other adjudicative proceedings.

III. BOI Annual Report

Discussion Items

A. BOI Annual Report – Mr. Dan Villa, Executive Director of the Montana Board of Investments, will review the investment performance of the Teachers' Retirement System for fiscal year 2024 and the current market volatility and expectation for future performance. A copy of Director Villa's presentation is attached for your reference.

Pursuant to 17-6-230, MCA, the BOI is required to present annually the following information to the Teachers' Retirement Board:

- The asset allocation of TRS
- Past and expected investment performance
- Investment goals and strategies
- Montana TRS investments and performance compared to similar size public employee retirement plans in other states.

B. Public Comment - This is an opportunity for any member of the public to comment on the Board of Investments annual report.

FISCAL YEAR 2024 REPORT ON RETIREMENT SYSTEM TRUST FUND INVESTMENTS AND BENEFITS

As required by 17-6-230, MCA

Dan Villa, Executive Director
February 2024

STRATEGIC ASSET ALLOCATION

2023

Asset Class Allocations		
Asset Class	Range Low	Range High
Domestic Equities	23	35
International Equities	10	20
Private Investments	12	20
Real Assets	3	9
Real Estate	7	15
Core Fixed Income	9	19
Non-Core Fixed Income	5	9
Cash[1]	0	5
Total		

[1] The combined cash at the plan level and the CAPP level is subject to the range.

[2] Montana Public Retirement Plans shall have no greater than 5% of the Net Asset Value managed by any one external manager using an active investment strategy.

2024

Asset Class Allocation		
Asset Class	Range Low	Range High
Domestic Equities	22	34
International Equities	10	20
Private Investments	13	21
Real Assets	3	9
Real Estate	7	15
Core Fixed Income	9	19
Non-Core Fixed Income	5	9
Cash1	0	5
Total		

1 The combined cash at the plan level and the CAPP level is subject to the range.

2 Montana Public Retirement Plans shall have no greater than 5% of the Net Asset Value managed by any one external manager using an active investment strategy.

PAST AND EXPECTED INVESTMENT PERFORMANCE

Name	Effective Date	FYTD	3 Year	5 Year	10 Year	Since Inception	Inception Date
Public Employee's Retirement	6/30/2024	9.07%	4.23%	8.24%	7.40%	7.76%	07/01/1994
Police Officers' Retirement	6/30/2024	9.10%	4.23%	8.24%	7.40%	7.64%	07/01/1994
Game Wardens' Retirement	6/30/2024	9.04%	4.22%	8.22%	7.40%	7.68%	07/01/1994
Sheriffs' Retirement	6/30/2024	9.05%	4.23%	8.23%	7.40%	7.67%	07/01/1994
Judges' Retirement	6/30/2024	9.07%	4.23%	8.24%	7.40%	7.67%	07/01/1994
Highway Patrol Retirement	6/30/2024	9.03%	4.22%	8.23%	7.40%	7.66%	07/01/1994
Teachers' Retirement	6/30/2024	9.06%	4.21%	8.23%	7.40%	7.77%	07/01/1994
Vol Firefighters' Retirement	6/30/2024	9.06%	4.21%	8.23%	7.39%	7.50%	07/01/1994
Firefighters' Retirement	6/30/2024	9.09%	4.23%	8.24%	7.40%	7.64%	07/01/1994

MBOI Snapshot
Asset Management View
9/30/2024 Unaudited
Assets Under Management $28,667,246,032

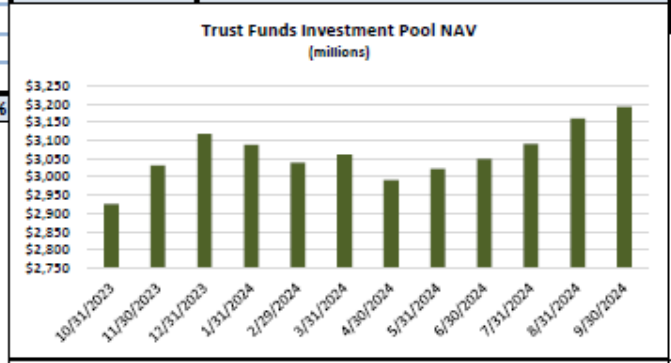
Pensions	NAV	%
DOMESTIC EQUITY	$ 4,214,460,582	27.1%
PRIVATE INVESTMENTS	$ 2,563,923,375	16.5%
INTERNATIONAL EQUITY	$ 2,288,404,772	14.7%
CORE FIXED INCOME	$ 2,270,584,725	14.6%
REAL ESTATE	$ 1,903,016,595	12.3%
NON-CORE FIXED INCOME	$ 1,127,039,567	7.3%
REAL ASSETS PAC	$ 893,974,387	5.8%
SHORT TERM INVESTMENT POOL	$ 168,830,482	1.1%
CASH EQUIVALENTS	$ 98,678,749	0.6%
Pensions Total	**$ 15,528,913,235**	**100.0%**

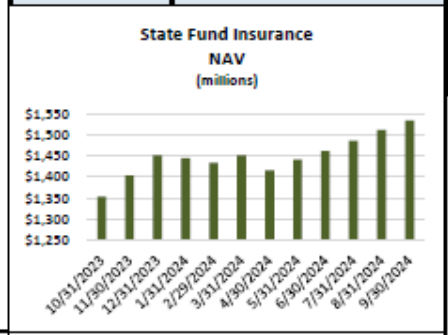
TFIP	NAV	%
Fixed Income	$ 2,131,360,346	66.76%
Real Estate	$ 743,502,523	23.29%
Non-Core Fixed Income	$ 212,712,089	6.66%
Real Asset	$ 89,831,583	2.81%
STIP	$ 15,166,936	0.48%
TFIP Total	**$ 3,192,573,477**	**100.00%**

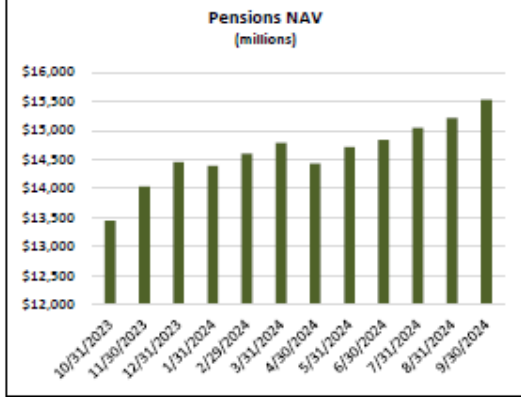
State Fund	NAV	%
Fixed Income	$ 1,174,974,606	75.64%
Equity	$ 177,088,559	11.40%
Real Estate	$ 87,369,883	5.62%
STIP	$ 46,841,277	3.02%
High Yield	$ 46,763,946	3.01%
Real Asset	$ 20,313,664	1.31%
State Fund Total	**$ 1,553,351,934**	**100.00%**

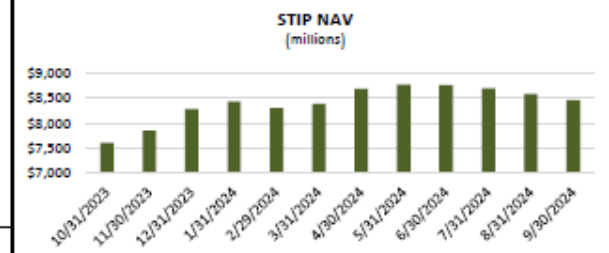
Other Fixed Income & Pending	$ (95,269,134)

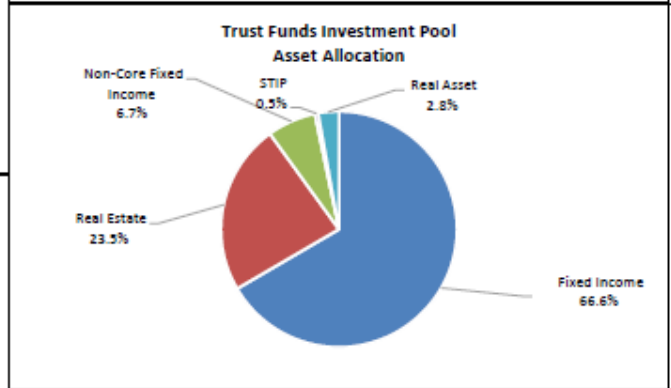
STIP*	NAV	%
ASSET BACKED COMMERCIAL PAPER	$2,406,720,512	28.36%
TREASURIES	$1,610,024,911	18.97%
CERTIFICATES OF DEPOSITS	$1,412,195,576	16.64%
FEDERAL AGENCIES	$1,143,163,006	13.47%
CORPORATE COMMERCIAL PAPER	$933,461,160	11.00%
CORPORATE NOTES	$847,580,942	9.99%
MONEY MARKET FUNDS	$134,530,413	1.59%
STIP Total	**$8,487,676,521**	**100.00%**

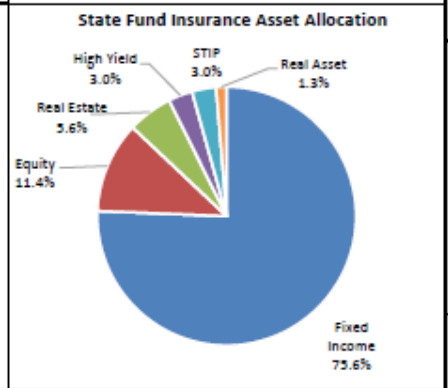


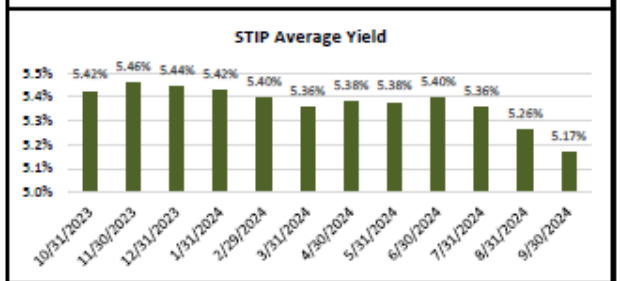


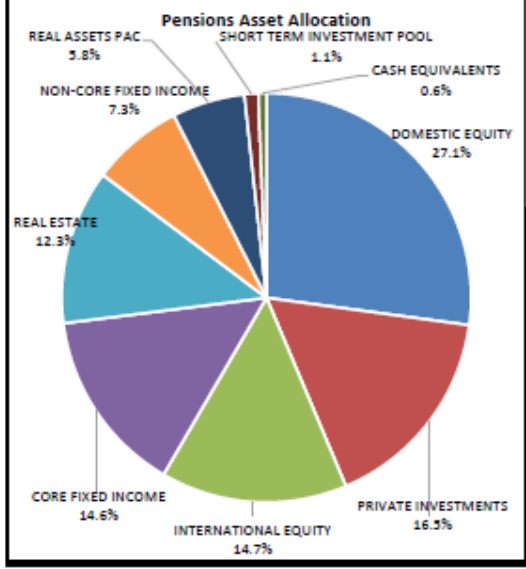


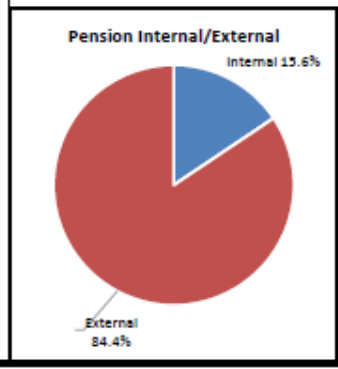


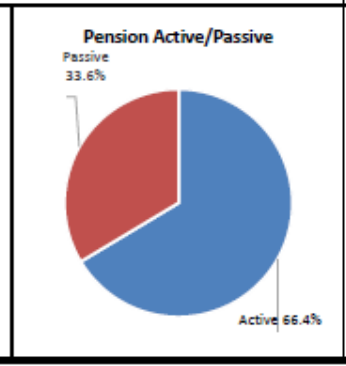


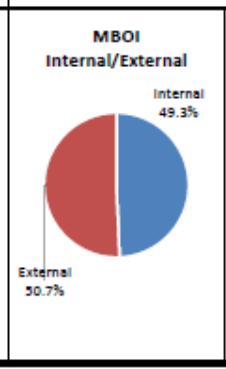


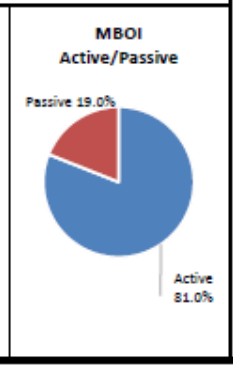


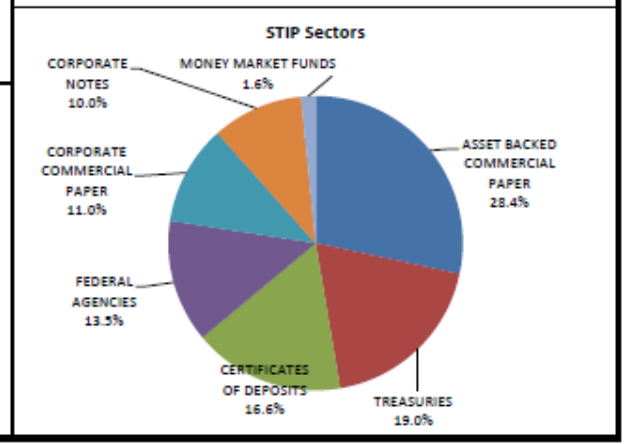












INVESTMENT GOALS AND STRATEGIES

The Board's overall objective is to achieve the highest level of investment performance that is compatible with its risk tolerance and prudent investment practices. Because of the long-term nature of the state's various pension liabilities, the Board maintains a long-term perspective in formulating and implementing its investment policies, and in evaluating its investment performance.

MONTANA CAPP INVESTMENTS AND PERFORMANCE COMPARED TO SIMILAR SIZE PUBLIC EMPLOYEE RETIREMENT PLANS IN OTHER STATES.

Your 5-year policy return of 8.5% was above both the U.S. Public median of 7.7% and the peer median of 7.5%.

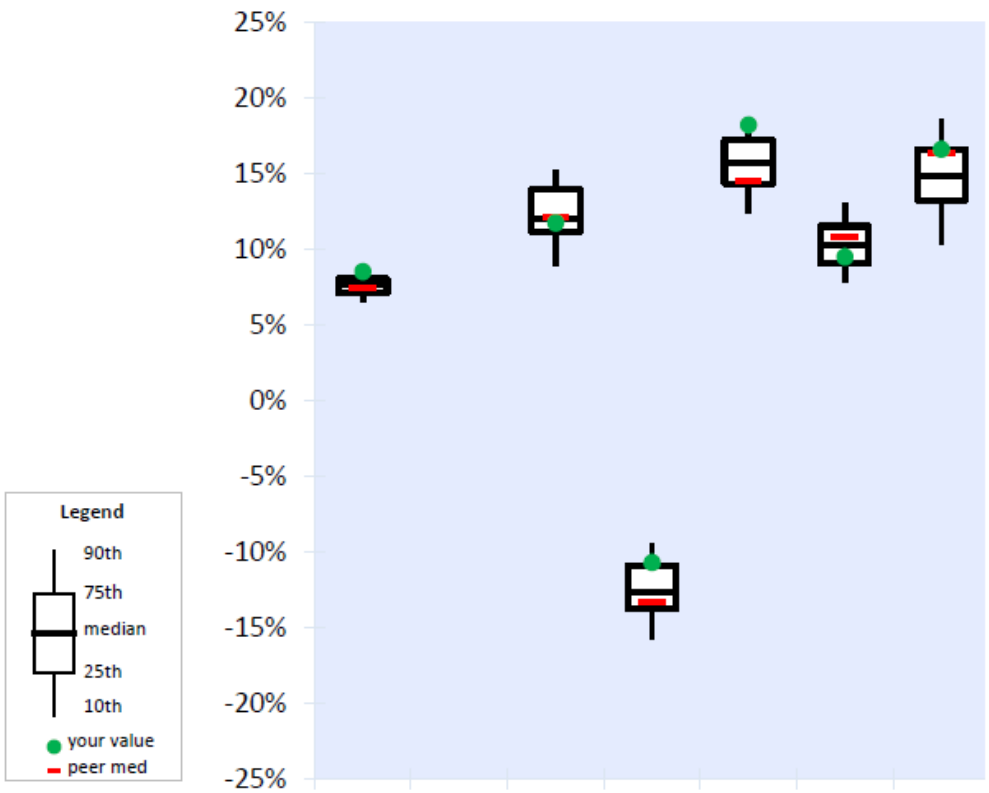
Your policy return is the return you could have earned passively by indexing your investments according to your policy mix.

Having a higher or lower relative policy return is not necessarily good or bad. Your policy return reflects your investment policy, which should reflect your:

- Long term capital market expectations
- Liabilities
- Appetite for risk

Each of these three factors is different across funds. Therefore, it is not surprising that policy returns often vary widely between funds.

U.S. Public policy returns - quartile rankings



	5-year	2023	2022	2021	2020	2019
You	8.5%	11.8%	-10.7%	18.2%	9.5%	16.6%
Peer median	7.5%	12.2%	-13.3%	14.6%	10.8%	16.4%
U.S. Public median	7.7%	12.0%	-12.7%	15.7%	10.3%	14.9%

To enable fairer comparisons, the policy returns of all participants, including your fund, were adjusted to reflect private equity benchmarks based on lagged, investable, public-market indices. Prior to this adjustment, your 5-year policy return was 9.2%, 0.7% higher than your adjusted 5-year policy return of 8.5%. Mirroring this, your 5-year total fund implementation impact would be 0.7% lower.

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Key Takeaways

Returns

- Your 5-year net total return was 9.4%. This was above both the U.S. Public median of 8.9% and the peer median of 8.6%.
- Your 5-year policy return was 8.5%. This was above both the U.S. Public median of 7.7% and the peer median of 7.5%.

Implementation impact

- Your 5-year implementation impact was 0.9%. This was below both the U.S. Public median of 1.2% and the peer median of 1.3%.

Cost

- Your investment cost of 49.6 bps was above your benchmark cost of 44.8 bps.
- Your fund was above benchmark cost because it paid more than peers for some services.
- Despite being 4.8 bps above benchmark cost, you delivered a five-year implementation impact of 86.4 bps.

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FEES CONTINUE TO DECREASE AS PERCENT OF AUM

FY	Total Investments	Investment Expenses	Investment Fee Ratio
2024	$ 28,192,843,929	$ 75,082,000	0.27%
2023	$ 26,401,951,388	$ 71,881,000	0.27%*
2022	$ 24,924,703,000	$ 66,336,000	0.27%*
2021	$ 21,571,968,000	$ 56,423,000	0.26%
2020	$ 19,573,441,000	$ 58,635,000	0.30%
2019	$ 18,601,994,000	$ 57,117,000	0.31%
2018	$ 15,601,831,000	$ 52,007,000	0.33%

**Does not include dividend payments from BOI to participants.*

IV. Administrative Business

Discussion Items

A. Investment Report – Daniel Trost will report on any additional activities of interest that weren't covered in Director Villa's Annual Report. The most recent performance report through December 31, 2024 is included for your reference. The Fiscal Year to Date return is 3.97%. Our net ITD return is now 7.77% which is higher than the long-term assumption of 7.30%.

B. FY 2024 Annual Comprehensive Financial Report – Nolan Brilz will hand out hard copies and touch on the highpoints of our FY 2024 ACFR. The electronic version of this report is available on the TRS website by following this link: https://trs.mt.gov/miscellaneous/PdfFiles/Information/AnnualReports/2024_ACFR.pdf

C. YTD Financial Statements and Budget Reports – Attached for the Board's information are the fiscal reports thru December 31, 2024. Nolan Brilz, Accounting Manager for TRS, will present the financial statements and budget reports and answer questions from the Board.

D. Personnel Committee Report: – Kari Elliott and Elliott Crump will provide a verbal report on the performance appraisal conducted for Executive Director, Shawn Graham, on February 10, 2024.

E. *Tentative 2025 Meeting Dates* – Tentative 2025 meeting dates: May 9, August 1, October 3, December 5.

Please check your calendar prior to the meeting and bring up any schedule conflicts that you are aware of.

Action Items

F. *Out of State Travel Request* – I have attached an out of state travel justification forms for the following:

- John Noble – PRISM conference April 2025
- Tammy Rau – GFOA conference June 2025
- James Malizia – NAPPA conference June 2025
- Shawn Graham – NCTR Director's Conference June 2025

G. *Tuition Reimbursement Request* – Attached is a Tuition Reimbursement Request form for Jaxon Simonson to pursue a Master of Business Administration degree through an online program offered by Dakota Wesleyan University (DWU). DWU is accredited by the Higher Learning Commission and an MBA is an academic discipline that is relevant to the business of TRS in compliance with the TRS Tuition Reimbursement Program. The Tuition Reimbursement Program has been in place since December of 2015 but has never been utilized by a TRS staff member until now. I have attached the reimbursement form, a letter of acceptance to the program, a description of the MBA courses, proof of accreditation and a copy of the TRS Tuition Reimbursement Program for your reference.

I recommend approval of tuition reimbursement for the MBA degree program in accordance with our tuition reimbursement program policies which includes but is not limited to 100% reimbursement for an A, 80% reimbursement for a B and 0% reimbursement for a C or lower up to the maximum of $3,500 per fiscal year.

Discussion Items

H. *Public Comment* – Opportunity for any member of the public to comment on the administrative business of the Board.

Information Item

I. *Next Meeting Date* – May 9, 2025.

TEACHERS RETIREMENT PLAN
SUMMARY OF POSITIONS AND RETURNS
Dec 31, 2024

MONTANA
BOARD OF INVESTMENTS

	UNITS OUTSTANDING	UNIT VALUE	MARKET VALUE$(000)	ALLOCATION (%)
Allocation				
TEACHERS RETIREMENT			5,222,334	100.00
SHORT TERM INVESTMENT POOL (STIP)	54,383,535.17	100.00000	54,384	1.04
Consolidated Asset Pension Pool (CAPP)	2,804,599,498.03	184.26698	5,167,951	98.96

	ITD	INCEPTION DATE
Longest Measurable Plan Return	7.77	7/1/1994

	MONTH	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	INCEPTION DATE
Returns										
TEACHERS RETIREMENT	(1.53)	(0.42)	3.97	8.74	3.50	7.86	7.61	7.02	7.77	07/01/1994
TEACHERS RETIREMENT CUSTOM BENCHMARK (YWN2D) - BLDR	(2.72)	(1.01)	4.52	8.95	3.06	6.92	7.32	-	-	
SHORT TERM INVESTMENT POOL (STIP) [1]	0.39	1.20	2.55	5.33	4.03	2.57	1.90	1.87	2.48	4/1/1997
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.38	1.20	2.57	5.42	4.12	2.53	1.86	1.82	2.41	
Consolidated Asset Pension Pool (CAPP)	(1.55)	(0.44)	3.98	8.77	3.50	7.93	-	-	8.21	4/1/2017
CAPP CUSTOM BENCHMARK (MONCAPP) - BLDR	(2.76)	(1.04)	4.54	9.00	3.05	6.98	-	-	7.63	

TEACHERS RETIREMENT PLAN
SUMMARY OF POSITIONS AND RETURNS
Dec 31, 2024

MONTANA
BOARD OF INVESTMENTS

	Plan Market Value $(000)	Allocation (%)
Allocation - Asset Class		
TEACHERS RETIREMENT	5,222,334	100.00
Domestic Equity - PAC	1,439,179	27.58
International Equity - PAC	727,142	13.92
Private Investments - PAC	892,201	17.08
Real Assets - PAC	320,752	6.14
Real Estate - PAC	628,949	12.04
Core Fixed Income - PAC	730,765	13.99
Non-Core Fixed Income - PAC	370,363	7.09
Cash Equivalents - PAC	58,599	1.12
PENSION CASH	54,384	1.04

	MONTH	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	INCEPTION DATE
Returns										
Domestic Equity - PAC	(3.42)	2.38	8.86	22.86	7.76	13.83	12.17	9.77	10.45	5/1/2003
Domestic Equity - PAC Custom Blend (MONDE) - BLDR	(3.03)	2.62	8.96	23.82	8.08	14.04	12.73	10.28	11.11	
International Equity - PAC	(1.65)	(6.43)	1.03	6.45	0.26	4.26	5.19	4.64	4.80	4/1/1997
International Equity - PAC Custom Blend (MONIE) - BL [2]	(1.97)	(7.61)	(0.05)	5.23	0.50	4.12	4.91	4.94	5.03	
Private Investments - PAC	0.32	2.03	3.35	5.14	5.72	12.87	11.84	11.29	12.39	5/1/2002
Private Equity PAC Custom (MONPE) - BLDR	(5.82)	1.34	8.64	11.52	4.11	9.35	10.27	11.45	10.80	
Real Assets - PAC	(1.67)	1.77	4.09	8.18	10.79	7.37	-	-	5.93	4/1/2017
Real Assets - PAC Custom Blend (MU7EBM) - BLDR	(6.31)	(7.37)	(0.03)	2.59	2.80	1.54	-	-	2.85	

TEACHERS RETIREMENT PLAN
SUMMARY OF POSITIONS AND RETURNS
Dec 31, 2024

MONTANA
BOARD OF INVESTMENTS

		MONTH	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	INCEPTION DATE
Returns											
Real Estate - PAC		0.28	(0.42)	0.20	(2.42)	0.99	4.25	6.92	-	4.17	6/1/2006
Real Estate - PAC Custom Blend (MONRE) - BLDR		0.02	0.02	(0.64)	(8.04)	(1.04)	(2.42)	3.41	-	3.92	
Core Fixed Income Pre and Post CAPP	[3]	(1.94)	(3.41)	1.54	1.19	(2.05)	0.03	1.41	3.44	4.94	4/1/1995
Core Fixed Income Custom Benchmark (CFIBM1)		(1.64)	(3.06)	1.98	1.25	(2.41)	(0.33)	1.10	2.89	4.34	
Non-Core Fixed Income Pre and Post CAPP	[4]	(0.94)	(0.65)	4.60	7.18	1.84	3.00	4.14	-	6.60	6/1/2009
Bloomberg U.S. HY - 2% Issuer Cap (WE6D)		(0.43)	0.17	5.47	8.19	2.92	4.20	5.16	-	7.70	
Cash Equivalents - PAC		0.42	1.56	2.67	6.28	4.76	3.03	-	-	2.62	5/1/2017
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR		0.38	1.20	2.57	5.42	4.12	2.53	-	-	2.29	

MONTANA
BOARD OF INVESTMENTS

TEACHERS RETIREMENT PLAN
END NOTES
Dec 31, 2024

Performance shown on this report is net of all fees.

1,2 Inception Date shown is earliest date of Net All performance. Actual inception date, respectively is 4/1/1990 (1), 1/1/1997 (2).
* Totals may not sum due to rounding differences.
# Allocation of Plan Market Values is an approximation. Plans do not own specific Asset Classes. Values represented are allocated pro rata based on the Plans % ownership of CAPP.

3 **Core Fixed Income Pre and Post CAPP**:
The Core Fixed Income composite is the result of a consolidation completed on 11/29/2019. Inclusive of the Broad Fixed Income PAC prior to 3/31/2017. Inclusive of the Broad Fixed Income, Intermediate TIPS, Intermediate US Treasury & Agency, Intermediate Investment Grade Credit, Mortgage Backed, and Diversified Strategies PACs from 4/1/2017 through 11/29/2019.

4 **Non-Core Fixed Income Pre and Post CAPP**:
The composite is inclusive of the following portfolios: MU3N Post Advisory Group – PP from 6/1/2009 to present, MU3M Neuberger Berman – PP from 1/1/2010 to present, MU8R Shenkman Capital Management – PP from 12/1/2017 to present, and MU8P Oaktree Capital Management – PP from 12/5/2017 to present

SHORT TERM CUSTOM BENCHMARK is composed of:
From inception to 4/30/2018: LIBOR 1 Month
5/1/2018 to present: Federal Reserve US Treasury 1M Constant Maturity Index

TEACHERS RETIREMENT CUSTOM BENCHMARK is composed of:
From inception to 3/31/2017: The portfolio weighted average of S&P 1500 Super Composite, MSCI ACWI ex US IMI Net, S&P 1500 + 4% Qtr Lag, LIBOR 1 Month, BBG BARC US Agg, and NCREIF ODCE 1 Qtr Lag (Net).
From 4/1/2017 to present: Equity and Cash Equivalents weighted average of CAPP Custom Benchmark and Short Term Custom Benchmark.

DOMESTIC EQUITY - PAC CUSTOM BLEND is composed of:
From inception to 4/30/2017: S&P 1500 Super Composite
5/1/2017 to present: MSCI US IMI Gross

INTERNATIONAL EQUITY - PAC CUSTOM BLEND is composed of:
From inception to 10/31/2006: MSCI EAFE Net
11/1/2006 to 6/30/2007: MSCI ACWI ex US Net
7/1/2007 to 2/28/2014: 92.5% ACWI ex US + 7.5% ACWI ex US SC IMI
3/1/2014 to present: 100% MSCI ACWI ex US IMI Net

PRIVATE EQUITY PAC CUSTOM is composed of:
From inception to 3/31/2017: S&P 1500 + 4% Qtr Lag
4/1/2017 to 12/31/2020: MSCI USA Small Cap Gross
1/1/2021 to present: The portfolio weighted average of MSCI USA Small Gap Gross and S&P LSTA US Leveraged Loan 100 Index

REAL ASSETS - PAC CUSTOM BLEND is composed of:
From inception to 12/31/2020: MSCI AC World Commodity Prod Net Index.
1/1/2021 to 5/31/2024: 33.33% MSCI AC World Commodity Prod Net Index, 33.33% MSCI ACWI Infrastructure Total Return, 33.34% BBG Gbl Inf-Lk US TIPS (Dly).
6/1/2024 to present: The portfolio weighted average of MSCI AC World Commodity Prod Net, MSCI ACWI Infrastructure Total, BBG Inf-Lk US TIPS (Dly), and Short Term Custom Benchmark.

REAL ESTATE - PAC CUSTOM BLEND is composed of:
From inception to 3/31/2017: NCREIF ODCE 1 Qtr Lag (Net)
4/1/2017 to 6/30/2020: MSCI US REIT INDEX GROSS
7/1/2020 to present: NCREIF ODCE 1 QTR LAG (NET)

Core Fixed Income Custom Benchmark is composed of:
From inception 3/31/2017: BBG BARC Agg (Dly)
4/1/2017 to 11/30/2019: The portfolio weighted average of Broad Fixed Income - PAC Custom Blend, BBG BARC US Corp Int Inv Grd Idx, BBG BARC US MBS Idx, BBG Barclays US Intermediate TIPS, BBG BARC Tsy Int
12/1/2019 to present: BBG Agg (Dly)

THE TEACHERS' RETIREMENT SYSTEM
CONSOLIDATED BALANCE SHEET
as of December 31, 2024

	12/31/2024 AGENCY ACCOUNT	12/31/2023 AGENCY ACCOUNT
ASSETS:		
Current Assets		
Cash	2,790,753	1,387,535
Accounts Receivable	42,114	23,076
Interest Receivable	0	0
Total Current Assets	**2,832,867**	**1,410,611**
Investments		
Short-term Investment Pool	54,383,535	51,620,956
Consolidated Asset Pension Pool (net)	5,257,463,674	4,793,690,786
Security Lending Collateral	0	0
Total Investments	**5,311,847,210**	**4,845,311,741**
Other Assets		
Equipment	16,286	16,286
Accumulated Depreciation Equip	(16,286)	(16,286)
Leashold Improvements	243,881	243,881
Accumulated Dep Leasehold Imp	(174,200)	(139,360)
Intangible Assets	0	0
Intangible Right to Use Bldg	2,810,123	2,810,123
Accumulated Amort Right to Use Bldg	(578,555)	(413,253)
Total Other Assets	**2,301,249**	**2,501,390**
Deferred Outflows - Pension and OPEB	**424,170**	**504,594**
TOTAL ASSETS	**5,317,405,495**	**4,849,728,337**
LIABILITIES & FUND BALANCE:		
Liabilities		
Accounts Payable	49,990	42,356
Standard Lease	2,413,081	2,533,388
Uncleared Collections	960,152	1,062,030
Compensated Absenses	256,558	218,004
Security Lending	0	0
OPEB Implicit Rate Subsidy	54,636	53,547
Net Pension Liability - PERS	1,957,160	1,851,315
Total Liabilities	**5,691,578**	**5,760,640**
Fund Balances		
Pension Accumulation Fund	4,271,170,686	4,111,922,463
Annuity Savings Fund	880,697,144	808,920,650
Year-to-date Income/(Loss)	159,500,449	(77,310,442)
Adj Fund Bal	0	0
Total Fund Balance	**5,311,368,278**	**4,843,532,672**
Deferred Inflows - Pension and OPEB	**345,639**	**435,025**
TOTAL LIABILITIES & FUND BAL.	**5,317,405,495**	**4,849,728,337**

THE TEACHERS' RETIREMENT SYSTEM
FUND BALANCE STATEMENT
as of December 31, 2024

	12/31/2024 AGENCY ACCOUNT	12/31/2023 AGENCY ACCOUNT
REVENUE		
Contributions	99,549,191	95,336,807
Misc Revenue	102	0
Investment Revenue	293,872,187	53,777,288
TOTAL REVENUE	**393,421,481**	**149,114,095**
EXPENSES		
Benefits Paid	226,797,629	219,735,286
Withdrawals	5,337,874	4,776,998
Admin. Exp	1,665,254	1,622,931
Depreciation Exp.	17,420	17,420
Amortization Exp.	0	171,633
Lease Amortization Exp.	82,651	82,651
Lease Principal & Interest	20,205	17,618
OPEB Expense	0	0
Pension Expense - PERS	0	0
TOTAL EXPENSES	**233,921,032**	**226,424,537**
REV OVER EXP	**159,500,449**	**(77,310,442)**
REV OVER EXP	**159,500,449**	**(77,310,442)**
BEG FUND BAL	5,151,867,830	4,920,843,113
Adj Fund Bal	0	0
END FUND BAL	**5,311,368,278**	**4,843,532,671**

THE TEACHERS' RETIREMENT SYSTEM
INVESTMENT REVENUE BY SOURCE & ADMINISTRATIVE EXPENSES BY TYPE
as of December 31, 2024

	12/31/2024	12/31/2023
	AGENCY ACCOUNT	AGENCY ACCOUNT
Investment Revenue:		
Short-term Investment Pool	1,438,938	1,328,342
Consolidated Asset Pension Pool		
Securities Gains/(Losses)	54,774,848	48,288,262
Investment Appreciation/(Depreciation)	237,658,401	4,160,684
Securities Lending Activity	0	0
Administrative Investment Exp.	0	0
Total Investment Rev.	**293,872,187**	**53,777,288**
Administrative Expense:		
Personal Services	1,109,684	1,014,606
Contracted Services	397,750	428,444
Supplies & Material	46,763	49,548
Communications	42,701	54,488
Travel	10,841	11,745
Rent	1,620	1,620
Repairs & Maintenance	10,099	9,931
Other Expenses	45,794	52,550
Depreciation Exp.	17,420	17,420
Amortization Exp.	0	171,633
Lease Amortization Exp.	82,651	82,651
Lease Principal & Interest	20,205	17,618
OPEB Expense	0	0
Pension Expense - PERS	0	0
Total Administrative Exp.	**1,785,529**	**1,912,253**

Teachers' Retirement System
Operating Budget Status Report
as of December 31, 2024

ACCOUNT LEVEL	ACCOUNT CATEGORY	EXPENSE FY 2024	BUDGET FY 2025	EXPENDITURE YEAR TO DATE	% BUDGET SPENT	TOTAL PROJECTED	BUDGET SURPLUS/(DEFICIT)
	PERSONAL SERVICES:						
61100	Salaries	1,633,775	1,795,000	824,596	45.9%	1,763,251	31,749
61300	Per Diem	4,700	8,000	3,400	42.5%	8,000	-
61403	Health Insurance	278,256	292,000	144,398	49.5%	288,796	3,204
61400	Benefits	281,451	315,000	139,485	44.3%	303,750	11,250
	Total Personal Services	**2,198,182**	**2,410,000**	**1,111,879**	**46.1%**	**2,363,796**	**46,204**
	OPERATING EXPENSES:						
62100	Contract Services	756,410	951,941	371,234	39.0%	870,852	81,089
62200	Supplies/Materials	70,732	84,300	46,763	55.5%	66,966	17,334
62300	Communications	142,483	149,625	42,701	28.5%	142,178	7,447
62400	Travel	21,937	37,000	10,841	29.3%	33,682	3,318
62500	Rent	3,241	3,500	1,620	46.3%	3,500	-
62700	Repairs/Maintenance	27,594	23,198	10,099	43.5%	22,698	500
62800	Other Expenses	91,074	112,666	45,794	40.6%	82,868	29,798
	Total Operating Expense	**1,113,470**	**1,362,230**	**529,054**	**38.8%**	**1,222,744**	**139,486**
62122	Audit Fees - Biennial Amount	83,829	94,458	26,516	28.1%	94,458	-
	Total Operating and Personal Services	**3,395,482**	**3,866,688**	**1,667,449**	**43.1%**	**3,680,998**	**185,689**
69501	Capital Lease	158,828	158,828	81,797	0.0%	163,593	(4,765)
	Subtotal Capital Lease	**158,828**	**158,828**	**81,797**	**0.0%**	**163,593**	**(4,765)**
	Totals	**3,554,310**	**4,025,516**	**1,749,246**	**43.5%**	**3,844,591**	**180,925**

Percent of FY Complete	50%
Percent of Payroll Complete	46%

Teachers' Retirement System
Budget Analysis - Contracted Services
as of December 31, 2024

ACCOUNT CODE	ACCOUNT NAME	EXPENSE FY 2024	BUDGET FY 2025	ACTUAL EXP TO DATE	% OF BUDGET
62102	Consulting & Professional	141,862	201,450	89,810	44.6%
62104A	INS &Bonds - Non fixed	115	150	0	0.0%
62108	Legal Fees/Court Costs	0	37,500	0	0.0%
62113	Warrant Writing Fees	35,499	37,494	15,175	40.5%
62114	Payroll Service Fees	5,791	5,780	2,890	50.0%
62114A	Workers Comp Mgmt	449	548	534	97.4%
62115	Photographic Services	50	50	20	40.0%
62116	Medical Services	9,056	13,000	2,104	16.2%
62136	IT Consult & Prof Servs	271,628	359,000	133,378	37.2%
62145	Food Services Expense	431	800	1,188	148.5%
62148	SABHRS Costs/DOA	152,281	144,919	72,460	50.0%
62186A	Recycling	780	850	390	45.9%
62187	Records Storage	2,896	3,000	1,471	49.0%
62190	Printing, Pub & Graphics	40,217	50,000	12,604	25.2%
62191	Printing, Other Provider	3,022	4,000	1,723	43.1%
621B1	SITSD Storage Hosting	18,061	18,000	7,112	39.5%
621B2	SITSD Server Hosting Services	27,906	31,000	12,387	40.0%
621B4	SITSD Application Services	1,165	700	0	0.0%
621B5	SITSD Email	2,720	3,000	1,146	38.2%
621B8	SITSD Operations Support	8,092	8,200	3,372	41.1%
621B9	SITSD Database Hosting	2,387	2,500	994	39.8%
621C2	SITSD Application Development	4,290	0	930	N/A
621C5	SITSD Enterprise Services	27,714	28,000	11,547	41.2%
621C6	SITSD Professional Services	0	1,000	0	0.0%
621C8	SITSD Email Restore	0	1,000	0	0.0%
	SUBTOTAL	**756,410**	**951,941**	**371,234**	**39.0%**
62122	Audit Fees - Current	73,644	94,458	26,516	28.1%
	TOTAL CONTRACTED SERVICES	**830,054**	**1,046,399**	**397,750**	**38.0%**

Percent of FY Complete: 50%

Teachers' Retirement System
Delinquent Agency Report
1/7/2025

Employer Number	Employer Name	Reports Outstanding	Estimated Employee Contributions	Estimated Employer Contributions
		Total	**0**	**0**
		Total Due	**0**	

All monthly reports are due by the 15th of the following month.

STATE OF MONTANA

REQUEST AND JUSTIFICATION FOR OUT-OF-STATE TRAVEL

1) Agency Number/Name	2) Division
61050-Teachers Retirement Board	Teachers' Retirement System

3) Org Number	4) Employees Traveling
3601	John Noble / 039526

5) Justification

Annual PRISM Conference

6) Alternatives

7) Itinerary

Travel Dates: 4/13 & 4/16
Memphis, Tennessee

8) Lodging Rate

Within Federal Rate?	If not, enter Federal and Lodging Rates		If requesting travel advance, list amount
☐ Yes	Federal	129.00	
☒ No	Lodging	265.00	*(Travel advances should be issued only on an exception basis)*

If rates are above the federal rate, check the items which apply below:

☒ 1. Government rates were requested and were not available at the hotel where the employee is staying; and

- ☐ a. Government or significantly lower rates are not available at another hotel within a reasonable distance; or
- ☒ b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; or
- ☐ c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; and

☐ 2. Reimbursement at actual cost is within the agency's authorized appropriation level.

9) Estimated Cost

Transportation	Meals/Lodging	Registration	Other	Total
900.00	1,100.00	1,300.00	200.00	3,500.00

10) Submitted By

Requested By	Title	Date
John Noble	IT Manager	1/27/2024

Approval - to be Completed by Agency Authorized Personnel

Supervisor	Date	Administrator	Date	Dept Head/Designee	Date

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

REVISED 10/2008

STATE OF MONTANA

REQUEST AND JUSTIFICATION FOR OUT-OF-STATE TRAVEL

1) Agency Number/Name	2) Division
61050-Teachers Retirement Board	Teachers' Retirement System

3) Org Number	4) Employees Traveling
3601	Tammy Rau #001820

5) Justification

GFOA Conference in Washington, DC June 28-July 3, 2025

6) Alternatives

7) Itinerary

Destination: Helena, MT to Washington, DC

Travel Dates: June 28 - July 3, 2025

8) Lodging Rate

Within Federal Rate?	If not, enter Federal and Lodging Rates		If requesting travel advance, list amount
☒ Yes	Federal	276.00	
☐ No	Lodging	276.00	*(Travel advances should be issued only on an exception basis)*

If rates are above the federal rate, check the items which apply below:

☐ 1. Government rates were requested and were not available at the hotel where the employee is staying; and

- ☐ a. Government or significantly lower rates are not available at another hotel within a reasonable distance; or
- ☐ b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; or
- ☐ c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; and

☐ 2. Reimbursement at actual cost is within the agency's authorized appropriation level.

9) Estimated Cost

Transportation	Meals/Lodging	Registration	Other	Total
1,388.00	2,100.11	575.00	102.00	4,165.11

10) Submitted By

Requested By	Title	Date
Tammy Rau	Deputy Executive Director	1/23/2025

Approval - to be Completed by Agency Authorized Personnel

Supervisor	Date	Administrator	Date	Dept Head/Designee	Date

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

REVISED 10/2008

STATE OF MONTANA

REQUEST AND JUSTIFICATION FOR OUT-OF-STATE TRAVEL

1) Agency Number/Name	2) Division
	Teachers' Retirement System

3) Org Number	4) Employees Traveling
	James Malizia

5) Justification

Annual National Association of Public Pension Attorneys Annual Legal Education Conference - June 23-28 in Denver, C\O.o

6) Alternatives

None

7) Itinerary

Travel to Denver, CO on June 23, 2025; Denver to Helena on June 28, 2025. Confernce dates are June 24-27.

8) Lodging Rate

Within Federal Rate?	If not, enter Federal and Lodging Rates		If requesting travel advance, list amount
☐ Yes	Federal	165.00	
☒ No	Lodging	250.00	*(Travel advances should be issued only on an exception basis)*

If rates are above the federal rate, check the items which apply below:

☒ 1. Government rates were requested and were not available at the hotel where the employee is staying; and

- ☐ a. Government or significantly lower rates are not available at another hotel within a reasonable distance; or
- ☒ b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; or
- ☐ c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; and

☒ 2. Reimbursement at actual cost is within the agency's authorized appropriation level.

9) Estimated Cost

Transportation	Meals/Lodging	Registration	Other	Total
450.00	1,250.00	850.00	150.00	2,700.00

10) Submitted By	Requested By	Title	Date
	James Malizia	Chief Legal Counsel	2/3/2025

Approval - to be Completed by Agency Authorized Personnel

Supervisor	Date	Administrator	Date	Dept Head/Designee	Date

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

REVISED 10/2008

STATE OF MONTANA

REQUEST AND JUSTIFICATION FOR OUT-OF-STATE TRAVEL

1) Agency Number/Name	2) Division
61050-Teachers Retirement Board	Teachers' Retirement System

3) Org Number	4) Employees Traveling
01	Shawn Graham

5) Justification

Travel to and from annual NCTR Director's Meeting in Sacramento, CA June 10-14th.

6) Alternatives

7) Itinerary

Travel dates are June 10-14th. Conference dates are June 11-13th.

8) Lodging Rate

Within Federal Rate?	If not, enter Federal and Lodging Rates		If requesting travel advance, list amount
☐ Yes	Federal	150.00	
☒ No	Lodging	250.00	*(Travel advances should be issued only on an exception basis)*

If rates are above the federal rate, check the items which apply below:

☒ 1. Government rates were requested and were not available at the hotel where the employee is staying; and

- ☐ a. Government or significantly lower rates are not available at another hotel within a reasonable distance; or
- ☒ b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; or
- ☐ c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; and

☐ 2. Reimbursement at actual cost is within the agency's authorized appropriation level.

9) Estimated Cost

Transportation	Meals/Lodging	Registration	Other	Total
450.00	1,200.00	1,590.00	150.00	3,390.00

10) Submitted By

Requested By	Title	Date
Shawn Graham	Executive Director	1/23/2025

Approval - to be Completed by Agency Authorized Personnel

Supervisor	Date	Administrator	Date	Dept Head/Designee	Date

NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

REVISED 10/2008

Teachers' Retirement System
Tuition Reimbursement Program

December 3, 2015

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Program Purpose

The Teachers' Retirement System (TRS) recognizes the value of our employees increasing their knowledge, skills, abilities and contributions to the organization through continuing education. In order to encourage employees to further their education and enhance their opportunities for professional growth and to retain highly-qualified personnel, TRS has created this Tuition Reimbursement Program. Tuition reimbursement is available both for individual classes and for approved degree programs at accredited institutions.

Program Guidelines

The following guidelines apply to the TRS tuition reimbursement program.

Prior Approval and Verification of Eligibility

PRIOR TO APPLYING TO AN ACCREDITED INSTITUTION FOR ADMISSION IN A DEGREE PROGRAM AND PRIOR TO REGISTERING FOR EACH INDIVIDUAL COURSE, employees must ensure the following conditions are met:

- Ensure that the institution and the classes/program are accredited. Accreditation means that the institution and/or course of study is certified as meeting the standards and requirements of one of the following educational institution accrediting agencies:
    - Higher Learning Commission,
    - Middle States Association of Colleges and Schools,
    - New England Association of Schools and Colleges,
    - Northwest Accreditation Commission,
    - Southern Association of Colleges and Schools,
    - Western Association of Schools and Colleges,
    - Distance Education and Training Council,
    - Degree programs or coursework recognized as meeting the educational standards of a nationally or internationally recognized professional certification or credentialing organization,
    - Or another specialized or programmatic accrediting agency acceptable to TRS.
- Complete a Tuition Reimbursement Program Application Form and submit to the TRS Executive Director for verification of program compliance and eligibility;
- Upon verification of eligibility by the Executive Director, the tuition reimbursement request will be formally considered at the next regularly scheduled TRS Board Meeting and approval is subject to budgetary constraints.
- Maintain documentation required when submitting reimbursement request following successful completion of each course, including copy of the fully approved and verified Application Form returned to employees upon approval by the TRS Board.

Reimbursement will not be provided for those courses that, although otherwise eligible, are not approved by the TRS Board and verified and processed by the Executive Director prior to registration.

Eligible Employees

TRS employees are eligible to participate in the tuition reimbursement program if they have been continuously employed at TRS for a period of at least one year prior to enrolling in the courses for which they seek reimbursement.

Non-eligible TRS Employees

Probationary status employees; interns; employees not in good standing, such as when an employee is behind in completing work, on a performance improvement plan or has received a formal disciplinary action within the previous 12-month period; part-time employees who work an average of less than 30 hours per week (less than a 0.75 FTE); and temporary employees are not eligible for tuition reimbursement.

Approved Degree Programs

Prior to beginning coursework required as part of an approved degree program, an employee must request and receive approval of the degree program for which the coursework is required.

> **Only degree programs that are in an academic discipline relevant to the business of TRS, such as computer science, accounting/finance, communications, business management, etc., are eligible for approval.**

Consideration for whether an academic discipline is relevant to the business of TRS includes whether the degree meets the educational qualifications for specific professional fields represented at TRS.

Establishing whether coursework to be taken through a distance learning program or a private institution meets TRS's requirements may necessitate research by the Executive Director.

Employees must submit requests at least 90 days in advance of the course registration date to ensure that approval of a reimbursement request has been received prior to registering for the course.

Before entering into any type of agreement or contract with an academic institution that commits the employee to a program of coursework, especially when the contract sets forth payment terms that include monthly or periodic payments, employees are encouraged to confirm with the Executive Director that the program will be eligible for reimbursement under this program. Even after a degree program is approved for reimbursement, TRS management may decide not to reimburse for individual elective classes that are not relevant to the business of TRS.

Expenditures Eligible for Full or Partial Reimbursement

Expenditures eligible for full reimbursement under this program include the registration fees and tuition that

- have been incurred in connection with coursework taken at an accredited institution that re-

ceived approval prior to the employee having registered,

- are directly related to the employee's current job, and
- are directly applicable for career advancement opportunities in a TRS business area and/or are required by the educational institution as part of the approved degree program.

Typically, general education courses, such as English Literature, History, and physical education, will not be considered related to an employee's current job and will not be eligible for reimbursement unless the employee is enrolled in an approved degree program and the courses are required as part of that degree program. To be eligible, courses must be taken for credit and an employee must receive a grade of "B" or better (or "Pass" in a pass/fail course). Courses taken for Continuing Education Units (CEUs) or certification (job-related seminars, workshops, or conferences) are not covered under the TRS Tuition Reimbursement Program.

Expenditures Not Eligible for Reimbursement

The following expenditures are not eligible for reimbursement:

- books
- admission test fees
- application fees
- graduation fees
- late registration fees
- course withdrawal fees
- course cancellation fees
- parking permits or charges
- supplies, including software and calculators
- optional student activity fees
- transcript fees

Reimbursement Rates and Terms

The following conditions apply to reimbursements:

- Employees must be actively employed by TRS at the time of reimbursement.
- Employees will be reimbursed for eligible expenses from the TRS-approved accredited institution of their choice, public or private.
- Eligible expenses for graduate-level and undergraduate-level courses taken by full-time employ-

ees will be reimbursed at 100% for and "A" or "Pass" in a Pass/Fail course, 80% for a "B," and 0% for a "C" or lower grade up to a maximum of $3,500 each fiscal year.

- Part-time employees who average at least 30 hours of work each week are eligible for a prorated reimbursement. For example, a ¾-time employee will be eligible for reimbursement up to ¾ of the $3,500 annual benefit, or $2,625.
- If the maximum allotted reimbursement amount is not paid to the employee, any remaining benefit dollars will not be carried over into the next fiscal year.

Reimbursement Procedures

To request reimbursement, an employee must, within 30 days of completion of an approved course under this program, submit

- his or her copy of the approved TRS Application Form,
- the grade report/transcript validating successful completion of the pre-approved course,
- documentation of all financial assistance the employee has received or been approved for, and
- a copy of all receipts for eligible expenses paid, with the type of each expenditure clearly marked.

Acceptable forms of receipt include the following:

- credit card receipts or detailed credit card bill summaries,
- detailed statement from institution indicating payment dates, types and amounts; and,
- cash or check receipts provided by the institution at time payment was made.

Payments to employees under this program are limited to reimbursement for eligible expenses paid by the employee. TRS will not pay to an employee amounts that are due on an installment plan that represent tuition or expenses (or partial tuition/expenses) for a course not yet completed.

Retention Policy

Employees that participate in the TRS Tuition Reimbursement Program agree to remain an active employee of TRS for at least twelve months after completion of a course or degree program for which the employee received reimbursement from TRS. In the event an employee terminates employment with TRS within the twelve month period, all expenses reimbursed by TRS under this program in the preceding twelve months are to be paid back to TRS on a prorated basis. For example, if an employee terminates employment nine months after completing a course(s) for which they were reimbursed $2,000, the employee would be required to pay TRS 3/12ths or 25% of the $2,000 they received under this program.

Coordination with Other Educational Assistance Programs

Tuition reimbursement provided under this program may be used to supplement other educational

financial assistance programs such as veteran's benefits, scholarships and Pell or Pell-type grants provided the employee does not receive more than the total cost of education. All educational benefits, scholarships, and grant monies received by an employee must be communicated to TRS, and documentation may be required, at the time of the request for reimbursement to allow TRS to reimburse only those eligible expenses that exceed the amount of other educational monies received.

Tax Impacts

TRS does not offer an opinion about the tax impact of tuition reimbursements made under this program. Employees may wish to seek advice on this point from a tax professional or the IRS prior to filing their tax returns. The employee may also wish to read IRS Publication 970 "Tax Benefits for Education."

Time-Off Work to Attend Approved Courses

Every effort should be made by the employee to schedule class attendance outside of normal office hours. When business circumstances allow and prior approval has been received from the employee's supervisor and the Executive Director, employees participating in this program may use annual leave or compensatory time to attend classes held during the employee's normal work schedule.

TRS Office Use Only

Montana
Teachers' Retirement System
1500 East Sixth Avenue
P.O. Box 200139
Helena, MT 59620-0139
406-444-3134 866-600-4045
trs.mt.gov

TUITION REIMBURSEMENT REQUEST

In compliance with the Americans with Disabilities Act of 1992, alternative accessible formats of this document will be provided upon request.

Approval of tuition reimbursement requests must be made in accordance with the requirements listed in the TRS Tuition Reimbursement Program documentation. You must have Executive Director verification of eligibility of coursework and TRS Board approval each semester prior to enrollment.

To receive reimbursement for tuition, complete page 2 of this Tuition Reimbursement Request form and submit this to the TRS Executive Director within 30 days of completion of the course.

☐ My coursework for this semester has been pre-approved by the TRS Executive Director.

Employee Information

Simonson — Last Name
Jaxon — First Name
J — MI
[redacted] — Employee ID
[redacted] — Employee Phone Number
Benefit Specialist — Job Title

School Information

Dakota Wesleyan University — School Name
1200 W University AVE — Street Address
mitchell — City
SD — State
57301 — Zip
800-333-8506 — Campus Phone Number
Higher Learning Commision — School's Accrediting Body

Course Information

Course Prefix	Course Number	Course Title	Course Credit Hours

Fa Wi Sp (Su) — Semester/Quarter (circle one)
06/2025 — Semester Begin Date (MM/YYYY)
08/2025 — Semester End Date (MM/YYYY)

Degree Information

MBA- Strategic Leadership — Degree Program Name
06/2027 — Expected Date of Program Completion (MM/YYYY)

How does the proposed course of study relate to your position duti → Back Page

I have read and understand the TRS Tuition Reimbursement Program and agree to the terms of the requirements.

Employee's Signature — **Date** 11-26-24

Executive Director's Signature — **Date**

TRS Board Chair's Signature — **Date**

- The proposed course studies will give me a strong focus on management skills along with technical business skills. I want to become a better and more effective leader.

DAKOTA WESLEYAN UNIVERSITY

Jaxon Simonson
1211 N Washington St
Helena MT 59601

Dear Jaxon,

Congratulations! After receiving and evaluating your admissions materials, I am pleased to inform you that you have been granted acceptance as a graduate student to Dakota Wesleyan University.

The mission of Dakota Wesleyan University graduate studies is to provide high-quality graduate programs that emphasize our core values of learning, leadership, faith and service. We look forward to understanding you as a student and what goals you hope to attain after graduating with your advanced degree. We strive to promote relevant, practical programs that work to meet you where you are.

Again, congratulations Jaxon on your acceptance and welcome to Dakota Wesleyan University!

Please don't hesitate to call or email us with questions or concerns.

Sincerely,

Fredel Thomas

Fredel Thomas
Vice President of Admissions and Marketing
Fredel.Thomas@dwu.edu

Master of Business Administration

Required Courses:

Management		
BUS 605	High-Performance Teams	3
BUS 606	Adaptive Leadership and Change Management	3
BUS 635	Coaching and Mentoring in the Workplace	3
BUS 636	Conflict Management	3
Quantitative Literacy		
BUS 625	Practical Economics*	3
BUS 626	Data-Informed Decision Making	3
BUS 640	Managerial Accounting*	3
BUS 650	Financial Analysis*	3
Strategic Leadership		
BUS 655	Project Management	3
BUS 656	Contemporary Marketing	3
BUS 617	Employee Life Cycle	3
BUS 695	Strategic Business Analysis and Management*	3
	Total	36

Required Courses for MBA Strategic Leadership Certificate Only:

Students choosing to earn a graduate certificate in Strategic Leadership are required to complete two courses in each of the areas of management, quantitative literacy and strategic leadership.

Course Descriptions

Business (BUS)

BUS605 High-Performance Teams – 3 hours

This course is designed to help students polish and develop leadership skills designed to take their teams to the next level. Throughout the course students will learn theories and principals of contemporary and effective leadership. Skill improvement focuses on areas including communication (writing, presenting, listening), time-management, information literacy, personality and strength assessment, and more. Students will also engage in practical and hands-on strategies to accelerate performance among individuals, groups and teams within organizations. Students will be able to: develop a strategy for building a high-performance team, reflect on their own leadership strengths, implement improvement plans for self and others and develop and deliver professional presentations using oral and written tools and techniques.

BUS606 Adaptive Leadership and Change Management – 3 hours

Organizations are faced with constant and rapid changes in their local and global environments. This perpetual change necessitates that leaders have skills in resiliency, adaptation and innovation. During this course, students will explore theories of adaptive leadership, reflect on their adaptive leadership skills and develop strategies for improvement. In the second part of the course, students will explore principals of change management, learn how to uncover and address resistance to change, develop change plans, and implement and monitor change progress. Students will be able to: incorporate strategies to improve resiliency and adaptation in their context, conduct a stakeholder analysis and address resistance to change through appropriate behavior change plans.

BUS617 Employee Life Cycle – 3 hours

Increase your knowledge and improve your skills for managing people. Learn how to effectively recruit, hire, develop, retain, reassign or release employees and volunteers. Practice using techniques for performance management and performance development.

BUS625 Practical Economics – 3 hours
Students will explore aspects of the global economy including resources acquisition, development, global shocks, international business, and trade. Students will investigate globalization and seek to provide an understanding of today's interdependent world. Students will be able to demonstrate the ability to: evaluate elements of global economics and reflect on their impact to local context, analyze economic interdependencies created by globalization and synthesize economic metrics for financial, marketing, and operational performance.
Prerequisite: an economics course, equivalent experience or an approved leveling course. *

BUS626 Data-Informed Decision Making – 3 hours
This practical managerial decision-making class will use statistical processes to analyze relevant business data and financial information. Using case studies and application, students will improve their ability to use data and statistical analysis to inform financial, marketing, and operational decisions as well as use appropriate metrics to measure performance.

BUS627 Event and Facilities Planning and Management – 3 hours
This course prepares students with skills they need to plan events and use tools for event planning and management. Students will also learn how to manage and oversee facilities and contract with other entities for facilities management.

BUS628 Advanced Public Relations and Promotions – 3 hours
Advanced Public Relations and Promotion will prepare students to develop community partnerships, manage public outreach and engagement, work with the press, and use technology for promotion.

BUS629 Revenue Generation and Management – 3 hours
Throughout this course students will develop skills needed to raise funds from their public, write grants, and manage budgets. Students will learn contemporary practices for generating funds and managing budgets.

BUS635 Coaching and Mentoring in the Workplace – 3 hours
Coaching is a trending competency in progressive organizations. Having an executive coach helps leaders move more quickly and more intentionally in their leadership journey. Coaches can be internal to the organization, working from within, as well as external to the organization, serving as a consultant. This class will help students gain skills and experience for coaching internal and external professionals. Coursework will explore coaching theory, adult learning styles (andragogy), and decision-making styles. Students will be able to: apply adult learning (andragogy) to personal change, develop executive coaching skills at the personal and managerial level and deploy a variety of decision-making styles.

BUS636 Conflict Management – 3 hours
Conflict can be positive and negative, depending on several factors including how leaders manage. This course engages students in strategies to engage conflict in ways that are constructive for the organization and people involved. Activities will help students understand their conflict style and develop their own conflict management skills. Students will be able to: use mediation, negotiation, and other relevant conflict management strategies in professional settings, use communication effectively in high-stress environments and apply needs- and interest-based strategies to resolve conflict.

BUS640 Managerial Accounting – 3 hours
An analysis of financial accounting provides the foundations underlying corporate financial statements. This portion of the course will provide students with the ability to read and understand financial statements, along with developing skills to analyze and interpret financial information. The use of managerial accounting tools will help students understand how to better contribute to managerial decision making, planning and controlling processes of management. Students will be able to: use tools for analyzing profitability and liquidity, leverage activity and risk through application of financial ratios and connect accounting principles to managerial reporting.
Prerequisite: an accounting course, equivalent experience or leveling course. *

Master of Business Administration

BUS650 Financial Analysis – 3 hours
Acquire working knowledge of financial analysis principles and practices, including cost of capital analysis, cash flow and budget analysis, forecasting, financial risk management, and capital budgeting that are required to support management decision making. Upon completion of the course students will be able to demonstrate an ability to: conduct cash flow analysis that is appropriate for her/his/their industry and develop a future-focused capital forecast that incorporates working knowledge of current markets and trends.

BUS655 Project Management – 3 hours
Contemporary business leaders are often tasked with leading the execution of projects. Throughout this course students will learn tools and techniques for connecting the organization's mission and vision to organizational deliverables. Experiential work will engage in development of a project plan that benefits an organization of their choosing using tools such as WBS, PERT, grant charts and heat maps. Students will be able to: use appropriate project management techniques and tools for project design and delivery and demonstrate principles of benefits realization management.

BUS656 Contemporary Marketing – 3 hours
Students who engage in this course will learn strategies for turning knowledge of consumer behavior into actionable plans designed to improve and increase operational performance. In addition to learning through text and case-study students will develop practical solutions for reaching a consumer audience in their context. Students will be able to: form data-driven predictions about consumer behaviors, analyze big-data, build insights and marketing strategies, and apply course concepts to the design of an effective marketing campaign.

BUS685 Legal Environment – 3 hours
This course is designed to equip students with the tools necessary to analyze an organization's exposure to risk and formulate solutions to mitigate or eliminate such exposure through identification, assessment and prioritization. This course offers a contemporary perspective on legal and ethical issues that organizations face. Students will understand components of legal and regulatory environments, liabilities, contracts, and more. Students will demonstrate the ability to: analyze legal dilemmas and make decisions that mitigate risk and identify, assess, prioritize, and develop strategies that maximize mission profitability while honoring corporate ethics.

BUS695 Strategic Business Analysis and Management – 3 hours
This course covers the determination and analysis of strategic goals and objectives for an organization, both in theoretical approaches and actual application. Students will learn how to do environmental and competitive analysis. Students will also learn to assess various internal and external factors that influence strategic planning such as: economic, social, legal, political, technological and competitive factors. This course will include the completion of a business content area exam. Students will be able to: conduct and present findings of an environmental and competitive analysis and apply principles of strategy and organizational analysis through simulation.
Prerequisites: BUS 640 and BUS 650 or the consent of the instructor.

BUS698 Practicum – 3 hours
This course is an applied, monitored and/or supervised field-based learning experience, such as an internship or directed study. Students will gain practical experience through a negotiated and or directed plan of study determined by the instructor and student. Director and instructor approval is needed.

* Students who have not taken an economics or accounting course in a previous undergraduate or graduate program must work with the MBA program director to verify equivalent experience or take an appropriate leveling course (http://www.peregrineacademics.com/home/academic-leveling-courses) as a prerequisite. Students should make contact and appropriate arrangements with the director prior to beginning the MBA program.

HIGHER LEARNING COMMISSION

230 South LaSalle Street, Suite 7-500
Chicago, IL 60604-1411
312.263.0456 | 800.621.7440
Fax: 312.263.7462 | hlcommission.org

January 30, 2017

Dr. Amy Novak
President
Dakota Wesleyan University
1200 West University Avenue
Mitchell, SD 57301

Dear President Novak:

This letter serves as formal notification and official record of action taken concerning Dakota Wesleyan University by the Institutional Actions Council of the Higher Learning Commission at its meeting on January 24, 2017. The date of this action constitutes the effective date of the institution's new status with HLC.

Action with Interim Monitoring. IAC continued the accreditation of Dakota Wesleyan University with the next Reaffirmation of Accreditation in 2026-27.

Interim Report. An Interim Report due 05/31/2018 on program review process.

In two weeks, this action will be added to the *Institutional Status and Requirements (ISR) Report*, a resource for Accreditation Liaison Officers to review and manage information regarding the institution's accreditation relationship. Accreditation Liaison Officers may request the ISR Report on HLC's website at http://www.hlcommission.org/isr-request.

Information on notifying the public of this action is available at http://www.hlcommission.org/HLC-Institutions/institutional-reporting-of-actions.html.

If you have any questions about these documents after viewing them, please contact the institution's staff liaison Steph Brzuzy. Your cooperation in this matter is appreciated.

Sincerely,

Barbara Gellman-Danley

Barbara Gellman-Danley
President

CC: ALO

V. Executive Director's Report

Information Items ***A. Executive Summary***

1. **Staff Update**: Denise Pizzini unexpectedly retired from TRS for personal reasons on December 13th after 17 years of service as Chief Legal Counsel for TRS. Denise's expertise and dedication will be sorely missed by all of us at TRS.
2. James Malizia was hired on February 3rd as our new Chief Legal Counsel. James is a graduate of Rutgers Law School and he comes to TRS with six years of pension law experience working as an attorney for MPERA. We were very fortunate to find a candidate with pension law experience and we are excited to have James on the team.
3. Jennifer Van Syckle, our Communications Specialist, decided to take a job in the private sector doing marketing and communications for a large cybersecurity company. Her last day at TRS was January 17th; we are in the process of recruiting for her replacement.

B. 2025 Legislation Update:

1. **Status of TRS Bills:**

A. HB 67: The TRS Housekeeping Bill is sponsored by Representative Marta Bertoglio. The bill passed out of House Education on a 15-0 vote on January 16th. On January 21st, the bill passed the House 97-1 and has been transmitted to the Senate. HB 67 currently awaits a hearing in the Senate State Administration committee as of January 23rd.

B. HB 51: The MUS-RP Supplemental Contribution bill is sponsored by Representative Eric Matthews. The bill had a hearing in House Education on January 6th with some discussion and questions since many of the House Education members were unfamiliar with the MUS-RP and the liability that was exacerbated when TRS was closed to new hires of the MUS. Representative Mark Thane successfully amended the bill in committee during Executive Action to set the contribution rate at 6% up from 4.72% in current law, extend the date to July 1, 2046 instead of July 1, 2033 and he removed the requirement for the TRS board to make future recommendations. The amended bill was then promptly tabled in committee on a 15-0 vote so it is likely dead.

2. **Status of Other Legislation Affecting TRS:**

A. HB 158: Sponsored by Representative Melissa Nikolakakos would increase the number of years a retired member of TRS can work under 19-20-732 with no limitation on the amount they can earn while receiving their benefit from 3 years to 5 years during their lifetime. I testified as an informational witness at the initial hearing on January 11th. The bill passed out of the

House Education Committee on a vote of 15-0 and is scheduled for second reading on the House floor today (Jan 24th).

B. LC 2786: Requested by Representative Jamie Isaly. This LC would add "mentoring a newly hired teacher" to the existing substitute teaching exception to the 120 day break in service for working after retirement in 19-20-734. This LC has not yet been assigned a bill number so it has not been introduced.

C. LC 1116: Requested by Representative Llew Jones. This LC adopts all of the same provisions as 19-20-732 which is our "emergency hire" provision but it is specific to the Office of Public Instruction as the employer. In order for a retiree to be eligible to work for OPI under this provision with no limit on the amount they can earn for up to 5 years during their lifetime, the retiree has to have received at least two benefit payments, the retiree has to have retired with at least 27.00 years of creditable service and the Superintendent of Public Instruction hast to certify to TRS that they advertised the position and either received no qualified applicants or they did not receive an acceptance of an offer of employment made to a non-retired member of TRS. This LC has not yet been assigned a bill number so it has not been introduced.

D. There are many more LC's that could eventually be drafted and introduced but I'm not aware of what kind of amendments to current law they might contain at this time.

C. Public Comment - This is an opportunity for any member of the public to comment on the Executive Director's report.

VI. IT Manager's Report

Discussion Items

A. IT Manager's Report: John Noble, TRS IT Manager, will lead the board through a discussion of the attached IT Manager's Report which provides information about progress made on several TRS IT initiatives.

B. Public Comment - This is an opportunity for any member of the public to comment on the IT Manager's report.

TRS IT Infrastructure – Update

Server Environment

- Fully virtualized – no physical servers
- Hosted on State Information Technology Services Division (SITSD) virtual infrastructure at the State of Montana Data Center (SMDC) in Helena
- 15 virtual servers providing
    - Development, Test, Staging and Production environments for
        - M-Trust pension management software system
        - TRS.mt.gov web site including member and employer secure online portals
    - M-Trust Report server
    - Development, Test, Staging Microsoft SQL Server database environment
    - Production Microsoft SQL Server database environment
    - File server
    - Application servers (2)
    - Source code and software version control server

Workstation Environment

- Predominantly virtualized – most computing performed on virtualized Windows desktops
    - Document imaging processing is performed on physical devices directly connected to document scanners
    - Certain 'heavy compute', e.g., high-cpu and/or high-memory processes are performed on physical devices
- Physical hosts a mix of
    - Mini-PC computers – 6
    - Laptop computers – 23

  20 of 23 TRS FTE have assigned laptop computers enabling them to work from home (ROWS). The 3 remaining FTE are not in ROWS-qualified positions (Executive Secretary; 2 Imaging Technicians).

- Contractor/Developer environments
    - Virtualized Windows desktops for developers/contractors
        - All computing/storage in TRS-owned environment

TRS IT Expenditure - Update

FY 2023			FY 2024			FY 2025 YTD		
Account Code	**Account Description**	**Expense**	**Account Code**	**Account Description**	**Expense**	**Account Code**	**Account Description**	**Expense**
62245	Hardware	$5,887.83	62245	Hardware	$7,439.28	62245	Hardware	$423.97
62249	Software	$0.00	62249	Software	$0.00	62249	Software	$0.00
621B1	ITSD storage hosting	$13,067.91	621B1	ITSD storage hosting	$18,060.66	621B1	ITSD storage hosting	$8,487.94
621B2	ITSD server hosting	$28,510.20	621B2	ITSD server hosting	$27,905.64	621B2	ITSD server hosting	$14,955.99
621B4	ITSD application hosting	$266.64	621B4	ITSD application hosting	$1,164.76	621B4	ITSD application hosting	$0.00
621B5	ITSD email services	$2,664.17	621B5	ITSD email services	$2,720.00	621B5	ITSD email services	$1,376.00
621B6	ITSD imaging services	$0.00	621B6	ITSD imaging services	$0.00	621B6	ITSD imaging services	$0.00
621B8	ITSD operational support	$6,263.28	621B8	ITSD operational support	$8,091.84	621B8	ITSD operational support	$4,045.92
621B9	ITSD database hosting	$2,353.92	621B9	ITSD database hosting	$2,386.56	621B9	ITSD database hosting	$1,193.28
			621C2	ITSD Application Development	$4,290.00	621C2	ITSD Application Development	$930.00
621C5	ITSD enterprise services	$31,264.44	621C5	ITSD enterprise services	$27,713.51	621C5	ITSD enterprise services	$13,856.76
621C6	ITSD professional services	$554.28	621C6	ITSD professional services	$0.00	621C6	ITSD professional services	$0.00
622B1	ITSD Asset Broker	$26,546.36	622B1	ITSD Asset Broker	$44,617.26	622B1	ITSD Asset Broker	$40,030.23
623B0	ITSD voice services	$7,335.36	623B0	ITSD voice services	$6,057.72	623B0	ITSD voice services	$3,029.31
623B1	ITSD video services	$460.08	623B1	ITSD video services	$477.84	623B1	ITSD video services	$258.83
623B2	ITSD network services	$20,832.10	623B2	ITSD network services	$25,257.60	623B2	ITSD network services	$12,613.89
623B4	ITSD long distance	$2,868.40	623B4	ITSD long distance	$2,736.76	623B4	ITSD long distance	$1,485.17
62750	Software maintenance	$16,006.13	62750	Software maintenance	$27,594.10	62750	Software maintenance	$10,098.96
	Total	$164,881.10		Total	$206,513.53		Total	$112,786.25

Note: the additional line item for FY24/25, 621C2 ITSD Application Development, is for the building and configuration of the new TRS website in the enterprise Cascade CMS environment.

Current software maintenance agreements/subscriptions:

- Adobe ColdFusion Enterprise. $15,805 FY 25*
- Gurock TestRail Server; test management and QA software system. $8250 FY 25
- Twilio Verify & SendGrid; multi-factor authentication software as a service. $2700 FY 25
- ActivePDF DocConverter; bulk document converter software. $1096 FY 25
- Atlassian Jira; issue and project tracking software. $950 FY 25

*Includes purchase of one additional license for M-Trust REPORT server. Ongoing annual cost ~$7500

Recently completed TRS IT Projects

- CFWheels (ColdFusion mark-up language framework) upgrade:
  CFWeels is the application framework for Adobe ColdFusion that the TRS M-Trust application is built upon. In June 2024, TRS upgraded to the latest release of CFWheels; the upgrade necessitated a review, and some minor changes, of all current ColdFusion code, for both M-Trust and the TRS Website applications.

Upcoming TRS IT Projects

- Source Code Repository Migration: planned for Q2 2025
  The current source code repository and version control system used by TRS is Apache Subversion running on Collabnet Subversion Edge. The vendor (Collabnet) has ceased development and maintenance of Subversion Edge necessitating a change. SITSD hosts a GitLab environment (for Git source control and version control) with costs built into the enterprise rate making it the preferred option for migration. While Git and Subversion do basically the same thing there are some fundamental differences. TRS IT staff recently participated in Git and GitLab training to become familiar with the product(s) and has begun to develop a migration plan and revise/update relevant TRS documentation.
- TRS web portals upgrade: planned for Q2 2025
  TRS will be migrating the TRS website, TRS.mt.gov, to a new hosting and design environment. The three TRS web portals, MyTRS, Employer Wage & Contribution, Employer Insurance, will be rebranded with a new domain, MyTRS.mt.gov, and redesigned to be responsive on mobile devise, to be accessible, and to maintain the same styling as the new TRS website.

VII. Legal Counsel's Report

Information Items ***A. Legal Issues*** – James Malizia will report on pending cases, and recent legal issues.

VIII. Applications and Retirement Benefits

Information Item

A. Regular, Survivorship, Adjustments, and Corrections - Attached are a list of members who have retired since our December 6th Board meeting and any adjustments made since that time.

Employer Type	Employer	Retire Type	Date Retired	Name	Service	Term Pay Amount	Term Pay Option

Total Recipients	1
Total Termination Pay	
Average Termination Pay	
Average Monthly Benefit	1,237.19
Average Age	67.00
Average Service	16.41

Grand Total Recipients	33
Total Termination Pay	88,911.44
Average Termination Pay	2,694.29
Average Monthly Benefit	1,205.81
Average Age	60.88
Average Service	14.88

IX. Long Range Planning

Discussion Items

A. Strategic Planning– I have attached a copy of the 2023-2025 commitment worksheet for Board discussion.

B. Public Comment – Opportunity for any member of the public to comment on the Strategic Plan Summary and Commitment Worksheet.

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TRS 2023 – 2025 Strategic Planning Commitment Worksheet

Goal/Objective	Outcome/Measure	Priority/ Timeline	Responsible party	Resources Required
Maintain an actuarially sound qualified retirement plan. Conduct periodic tax qualification reviews (every 5 years) to support our goal of maintaining an actuarially sound "qualified" retirement plan using the established process and experts. Discontinue if IRS resumes doing qualification letters.	Documented compliance of plan terms with the Montana State Constitution and State and Federal laws and regulations.	Every 5 years. FY2021 complete. (Next review FY2026)	Executive Director Chief Legal Counsel	Tax counsel fees.
Maintain an actuarially sound qualified retirement plan. Actively participate in the interim study (Senate Joint Resolution - SJ 4). Be responsive to Pension Study requests. Address any issues resulting from the Pension Study Group.	Well-informed policy makers.	FY2024 & FY2025 SJ4 Study Complete 10/24/24	Executive Director Chief Legal Counsel Board	Staff time, actuarial service fees.
Maintain an actuarially sound qualified retirement plan. Conduct an experience study for the five-year period ending July 1, 2025.	Updated actuarial assumptions.	Next study starts July 1, 2025 with completion in May of 2026	Executive Director Board	Contracted actuarial service fees.
High-performance work culture and service excellence Identify, catalog, and prioritize potential information technology (IT) enhancements including periodic IT enhancement budget and planning Board sessions. The Board will provide guidance on the level of investment in the system. Establish metrics for certain enhancements where appropriate to illustrate the return on investment. *Maintain data for cost/benefit analyses of system enhancements and development options (e.g., utilization of online withdrawals, costs of self-provided, contracted, or Information Technology Services Division, services etc.) as needed.*	Automation and improved processes. Specific budgets and defined level of investment in IT systems. 2024 – 2025 efforts relate to member convenience and operational efficiency.	Ongoing	Board, M-Trust Steering Team	Staff time, contractor fees.
High-performance work culture and service excellence Implement online retirement application (ORA) functionality.	Member ability to apply for retirement online.	FY2024 planning 2025 – 2026 implementation	M-Trust Steering Team	Staff time, contractor fees.
High-performance work culture and service excellence Implement a responsive web design (i.e., when the user accesses the website, it determines and renders itself based on the device type). Redesign is necessary to remain current with contemporary web expectations and support member convenience.	Mobilize resources to implement a modern website. Position TRS to implement online retirement application (ORA).	FY2024 – FY2025 (Underway – Rollout in April-May of 2025)	Information Systems Manager and Communications Manager	Staff time, contracted services (vendor or ITSD) Budget adjustment

TRS 2023 – 2025 Strategic Planning Commitment Worksheet (continued)

Goal/Objective	Outcome/Measure	Priority/ Timeline	Responsible party	Resources Required
High-performance work culture and service excellence. Continue business process and workflow improvements while building online processes to achieve a paperless process with a priority on major business processes.	Automation and improved processes.	Ongoing	M-Trust Steering Team	Staff time, contractor fees.
High-performance work culture and service excellence. Develop procedural documentation for each team (e.g., desk manuals). Documentation will ensure business continuity and support knowledge transfer/succession planning.	Improved internal documentation and business processes.	Ongoing	Management Team (and staff)	Staff time.
High-performance work culture and service excellence. Continue with a formal strategic planning every 2 years.	Comprehensive and timely strategic goals.	Review 2024 Formal Planning August 2025	Management Team Board	Staff/Board time, contractor fees.
High-performance work culture and service excellence. *Maintain best practices in system security and proactively assess options. Pursue identity verification and e-signature options to improve member convenience while ensuring continued transaction security.* This will affect any online form we use (e.g., OWA).	Improved functionality and member convenience with continued system security.	Would like to implement with OWA and will be part of ORA. Determine system and develop plan in FY24 (Enterprise Contract for Docusign, ID Verification budgeted FY 2025)	Information Systems Manager and Communications Manager	Staff time, vendor fees, contractor fees.
High-performance work culture and service excellence. Succession planning – a number of key staff are retirement eligible, and we have limited options for succession planning. Consider internal development, provide experiential opportunities for staff where applicable.	Improved process documentation; knowledge transfer; cross-training.	Ongoing	Executive Director/Deputy Executive Director	Staff Time
High-performance work culture and service excellence. Maintain TRS Pay Plan to keep it current with contemporary practices and markets.	Contemporary pay plan.	Ongoing.	Executive Director, Deputy Executive Director	Staff time.

TRS 2023 – 2025 Strategic Planning Commitment Worksheet (continued)

Goal/Objective	Outcome/Measure	Priority/ Timeline	Responsible party	Resources Required
Communication and outreach (public relations). Coordinate Executive Director and Board member (contingent on location and availability) attendance at School Superintendent meetings in non-legislative years.	Increased communication to Superintendents. All meetings are scheduled.	Spring of 2024 (ongoing) Completed	Executive Director and Board	Executive Director and Board time and travel.
Communication and outreach (public relations). Continue external communications including staff attendance at the annual educator conference, legislator education and outreach, collaboration with MFPE as appropriate, and attendance at MASBO, SAM and MCEL conferences.	Continued staff attendance at strategic events. (webinars are better attended than in-person).	Ongoing	Management Team & Active Team	Staff time and travel expense.
Communication and outreach (member and employer communication). Continue to promote communication with members and employers about system functions, improvements, processes, and transactions including using timeline and status-oriented system communications (e.g., anniversary, RMD and GABA letters).	Strategic promotion of online services.	Ongoing	Management Team Communications Manager	Staff time, mailing, etc.
Communication and outreach (member communication). Continue with Member Surveys to inform our strategic direction, increase retirement awareness, and promote engagement. Distribute member survey results to legislators and other interested parties (including emphasizing the powerful graphs and comments).	An informed and engaged constituency. Valuable data for interim study	2023 survey completed in October 2023, next survey 2025.	Communications Manager	Staff time.
Communication and outreach (member communication). *Promote the system as a benefit to help school districts attract and retain teachers.*	Promotional materials and information illustrating the benefits of TRS for use by employers.	Ongoing	Communications Manager	Staff time.
Communication and Outreach *Hire an additional 1 FTE Communication Professional to support outreach. Retain contracted services to develop procedural manuals.*	Acquire qualified staff and contractors to address communication opportunities. New FTE starts 12/18/23	Fall 2023/Spring 2024 Complete December 18, 2023	Executive Director and Communications Manager	Staff time. FTE funding. Contracted services budget.
Communication and Outreach Research available options for TRS to support or promote a deferred compensation system for teachers.	Provide information and options to Superintendents at MASS Meetings.	Spring 2024 In presentation to MASS with MPERA 457B handout/contact info.	Executive Director/Chief Legal Counsel	Staff time.

X. Board Training

Discussion Items

A. Privacy and Security of Personal Information: – I have attached the TRS policy on Privacy and Security of Personal Information and Notification of Breach of the Security of a Data System for your review and consideration prior to our board meeting. James Malizia, TRS Chief Legal Counsel, will lead the board through a discussion of the policy during the meeting.

B. Public Comment – Opportunity for any member of the public to comment on the Board Training segment of the meeting.

MONTANA TEACHERS' RETIREMENT SYSTEM
POLICY 2-0500-003
POLICY ON PRIVACY AND SECURITY OF PERSONAL INFORMATION AND NOTIFICATION OF BREACH OF THE SECURITY OF A DATA SYSTEM

Section: Organizational
Implementer: All TRS Personnel
Effective Date: February 2, 2012
Revision Date: February 21, 2020

Purpose

This policy sets forth TRS's objectives for maintaining the privacy and security of personal information gathered, maintained, used, and disclosed by TRS personnel as necessary to conduct the business of TRS and for notification of affected individuals of a breach of the security of a TRS data system.

Definitions

Breach – the unauthorized access to or acquisition of computerized data that materially compromises the security, confidentiality, or integrity of the personal information maintained by TRS or by a third party on behalf of TRS, and causes or is reasonably believed to cause loss or injury to a person.

Individual – a human being.

Person – an individual, a partnership, a corporation, an association, or a public organization of any character.

Personal information – a first name or first initial with a last name in combination with any one or more of the following data elements when the name and data elements are not encrypted, except that the following data elements are not personal information if they are publicly available information that is lawfully made available to the general public from federal, state, local, or tribal government records:

a. a social security number
b. a tax identification number
c. an identity protection personal identification number issued by the IRS
d. a driver's license number
e. an identification number issued pursuant to 61-12-501, MCA
f. a tribal identification number or enrollment number
g. an identification number issued by any state, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, or American Samoa
h. an account number or credit or debit card number in combination with any required security code, access code, or password that would permit access to a person's financial account
i. medical record information

Redact – to alter personal information contained within data to make all or a significant part of the data unreadable.

Third party – a person or another state agency who is not a TRS staff member, a third party agent, or the member, retiree, joint annuitant, beneficiary, or alternate payee to whom the personal information pertains.

Third party agent – a person with a contractual obligation to perform a function for TRS, which function requires disclosure by TRS to the third party agent of some personal information data elements, or access to TRS data systems that contain personal information.

TRS Personnel – all members of the TRS board of trustees and all employees of TRS.

Truncate means that no more than the last four digits of an identification number are accessible as part of the data.

Policy:

A. Privacy and Security of Personal Information/Social Security Numbers

1. TRS is required to gather, maintain, use, and disclose personal information, including the social security numbers of members, retirees, joint annuitants, beneficiaries, and alternate payees, in order to administer the retirement system, including in order to comply with state and federal law pertaining to tax reporting of benefits paid by the retirement system. TRS also must obtain financial account information pertaining to individuals to whom it pays benefits for the purpose of effectuating direct deposit or other appropriate transfer of payments due to a retiree, joint annuitant, beneficiary, or alternate payee. TRS will gather, maintain, use and disclose personal information, including social security numbers and financial account information, as necessary to administer the retirement system, including to comply with state and federal law pertaining to tax reporting of benefits paid. TRS must obtain and may disclose medical record information for the purpose of making initial and ongoing determinations of eligibility for disability retirement benefits.

2. TRS will gather, maintain, use and disclose personal information of members, retirees, joint annuitants, beneficiaries, and alternate payees only as necessary to properly administer the retirement system, and as otherwise allowed or required by law. TRS staff shall access, use, and disclose such personal information only as necessary to perform assigned job functions.

3. In order to perform assigned job functions, all TRS staff members will need to acquire personal information and access data systems and documents containing personal information, including social security numbers and financial account information, of any member, retiree, joint annuitant, beneficiary, or alternate payee. All TRS staff members are authorized to acquire and access such personal information as necessary to perform assigned job functions.

4. TRS will gather full social security numbers only as necessary to initially establish the identify of a TRS member, retiree, joint annuitant, beneficiary or alternate payee, or as necessary to verify and document the identity of a specific member, retiree, joint annuitant, beneficiary, or alternate payee related to remittance of contributions or other payments of amounts owed to the retirement system, payment of benefits, distribution of benefits under a family law order, disclosure of personal information pursuant to an authorization to disclose, or in other circumstances in which full match of name and social security number are necessary to verify the identity of the individual. In all other circumstances, TRS will gather, use, and disclose only truncated social security numbers for purposes of verifying the identity of an individual previously identified to the retirement system through submission of a full social security number.

5. TRS may disclose personal information, including full social security numbers, to a third party agent as necessary for the third party agent to perform the functions contracted for, and to maintain the integrity of individual identification in records maintained by TRS and the third party agent. Except as necessary for performance of the contracted functions and to maintain the integrity of individual identification in multiple record sets, TRS shall disclose only truncated social security numbers to a third party agent.

6. Other than as described in this policy, TRS will not disclose personal information to any third party unless such disclosure is expressly authorized by the individual to whom the personal information pertains or by a representative of the individual acting under authority of law (i.e., power of attorney, order of guardianship or conservatorship, order of appointment of personal representative in a probate proceeding, etc.), or as otherwise allowed or required by law.

7. In any circumstance in which any record/document that includes a full social security number is to be disclosed to a third party, TRS staff shall redact or truncate the social security number, if appropriate and as appropriate to the purpose for the disclosure.

8. TRS staff shall dispose of any record/document that contains personal information in conformity with TRS's protocols for secure disposal/shredding of personal information.

9. TRS staff will not store or maintain any unencrypted record or document that includes the personal information of any member, retiree, joint annuitant, beneficiary, or alternate payee on any portable electronic device or media (i.e., laptop or notebook computer, iPad, smart phone, thumb or jump drive, computer disc, or other device or media) except as necessary to perform assigned job functions for which such personal information is necessary. Such personal information may be maintained on a portable device or media only for the period of time necessary to perform the assigned job function, and only while the portable device or media is under the active, personal control of the TRS staff member. Such personal information stored or maintained on a portable device or media must, at a minimum, be protected by a secure password and other security measures and protocols as required by applicable state and TRS security policies.

10. TRS will contractually require that all third-party agents to whom personal information is disclosed by TRS have an information security policy designed to safeguard personal information.

B. Notice of Breach of Security of a Data System

1. Upon discovery or notification of a breach of a TRS data system, TRS shall make reasonable efforts to notify any person whose unencrypted personal information was acquired or is reasonably believed to have been acquired by an unauthorized person. Notice will be provided in writing, without unreasonable delay, except that notice may be delayed if a law enforcement agency determines that notification will impede a criminal investigation and requests a delay of notification.

2. TRS will contractually require that all third party agents to whom personal information is disclosed by TRS will provide notice to TRS and persons of a breach of security of the third party agent's data systems in conformity with (1).

3. If TRS is required to issue a notification of breach, TRS shall simultaneously submit an electronic copy of the notification and a statement providing the date and method of distribution of the notification and the number of individuals entitled to receive the notification to the Attorney General's Office of Consumer Protection. The notification to the Office of Consumer Protection shall not include any information that personally identifies any individual entitled to receive the notification.

Cross References

§§ 2-6-1501 through 2-6-1503, MCA

Signature

By Board action taken on **February 21, 2020,** and by my signature below, the TRS Board has authorized implementation of this original or modified policy. The effective date of this policy is:

_X__ the date of the Board action set forth above

_____ (date) _____

BY: Kari Peiffer, Board Chair

/s/ Kari Peiffer
Signature

TRS policies may be amended or revoked from time to time, with amendments and revocations effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version posted on the TRS website, which may be accessed at trs.mt.gov/trsinfo/boardpolicies. Any deviation between the official version of a policy and a printed version will be resolved in favor of the official version. Hardcopy prints of policies will be dated as of the date of printing. Please make certain to review the material online prior to placing reliance on a printed version.

XI. Disability Applications

CLOSED MEETING

Discussion Item ***A. Executive Session to Discuss Disability Applications and Annual Reviews*** – The summary of each disability application along with any supporting documentation will be presented during the meeting.

The chair will close the meeting at this time because the matters of individual privacy clearly exceed the merits of public disclosure.

OPEN MEETING

Action Items ***B. Approval/Disapproval of Application for Disability Retirement Benefits*** – Board votes to approve or disapprove each application for disability retirement benefits.

Discussion Item C. ***Public Comment*** - This is an opportunity for any member of the public to comment on the Executive Director's report.

XII. Adjournment

Action Items ***A. Motion to Adjourn***